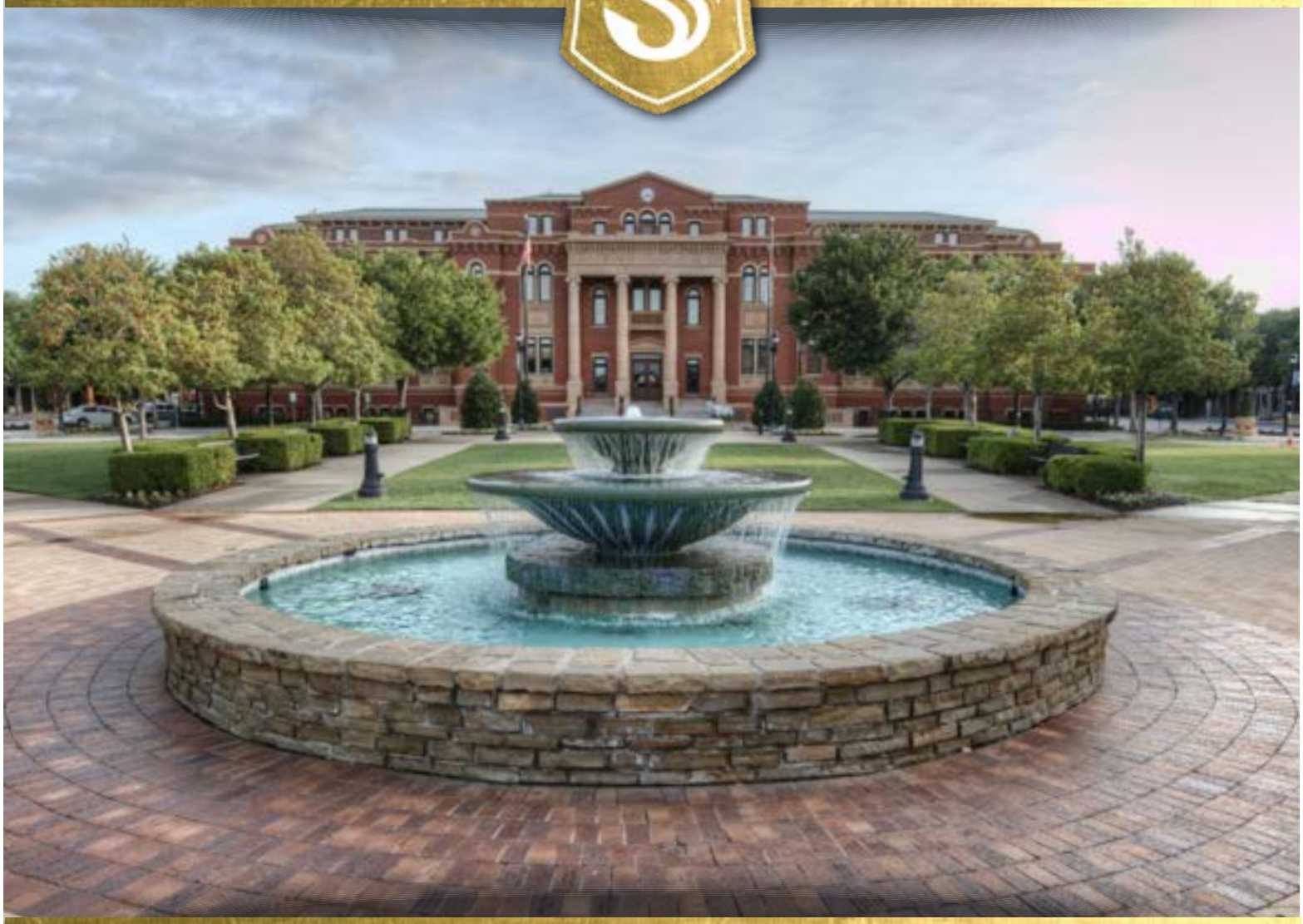
CITY OF
SOUTHLAKE



Annual Comprehensive Financial Report

For the Fiscal Year Ended

September 30, 2021

CITY OF SOUTHLAKE, TEXAS

CITY OF SOUTHLAKE, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

As Prepared By

Sharen Jackson, CPA

Chief Financial Officer

CITY OF SOUTHLAKE, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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ANNUAL COMPREHENSIVE FINANCIAL REPORT
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INTRODUCTORY SECTION

CITY OF SOUTHLAKE

Finance Department

March 11, 2022

Honorable Mayor John Huffman and
Members of City Council
City of Southlake
Southlake, Texas

Honorable Mayor and Councilmembers:

It is with pleasure that we submit to you the Annual Comprehensive Financial Report (ACFR) of the City of Southlake for the fiscal year ended September 30, 2021. This report was prepared by the Finance Department in accordance with the Southlake Charter, Statutes and generally accepted accounting principles for governments. In addition to meeting legal requirements, this report reflects the City's commitment to full financial disclosure. We encourage you to thoroughly read this report and take the opportunity to discuss some of the important items it addresses.

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. These controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management. We believe that the City's current system of internal controls adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions.

The financial statements are presented in accordance with Governmental Accounting Standards Board Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis-For State and Local Governments.* The presentation of the City's financial information includes two financial statements that provide a government-wide perspective using the accrual basis of accounting. The two government-wide statements present governmental activities separately from business-type activities. The inclusion of the government-wide statements in this format enables a more thorough understanding of the financial operations and condition of the City.

The fund financial statements focus on individual major funds. Each major fund is presented in a separate column in the fund financial statements. Nonmajor funds are aggregated and presented in a combined column. Budget to actual comparisons are presented as required supplementary information and are limited to the general fund and special revenue funds. The comparisons are now more informative, including both the original adopted budget and the final amended budget.

We believe the reporting model will assist in making economic, social and political decisions and in assessing accountability to the residents by:

- comparing actual financial results with the legal adopted budget, where appropriate;
- assessing financial condition and results of operations;
- assisting in determining compliance with fiscally oriented laws, rules and regulations; and
- assisting in evaluating the efficiency and effectiveness of City operations.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the data, as presented, is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

FINANCIAL STATEMENT FORMAT

This report has been prepared and organized to meet the requirements of the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting Program. By following the guidelines of this program, the report's format facilitates understanding by the residents and provides information needed by the most sophisticated and interested financial observers. The report is presented in three sections: introductory, financial and statistical.

- The introductory section, which is unaudited, includes this transmittal letter, GFOA certificate, the City's organizational chart, and a list of principal officials. This section is designed to provide an overview and general understanding of the report.

- The financial section provides a detailed presentation of the financial position and results of operations for the fiscal year ended September 30, 2021. The financial section is divided into four main subsections:

    - Management's Discussion and Analysis
    - Basic Financial Statements and related notes
    - Required Supplementary Information
    - Combining and Individual Fund Financial Statements

Readers are encouraged to pay particular attention to Management's Discussion and Analysis and to the footnotes to the basic financial statements. These provide valuable analysis and explanation of the financial statements.

The statistical section, which is unaudited, includes a number of multi-year tables and other data designed to present social, economic and financial trends of the City, providing an overall view of the fiscal capacity of the City.

The financial reporting entity includes all the funds of the primary government, as well as all of its component units in accordance with GASB Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, "Defining the Reporting Entity." Component units are legally separate entities for which the primary government is financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the City's basic financial statements to be misleading or incomplete. The primary government is considered financially accountable if it appoints a voting majority of an organization's governing body and imposes its will on that organization. The primary government may also be financially accountable if an organization is fiscally dependent on the primary government regardless of the authority of the organization's governing board. Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the Southlake Parks Development Corporation ("SPDC"), Southlake Crime Control and Prevention District (the "District"), Southlake Community Enhancement and Development Corporation (CEDC) and Tax Increment Reinvestment Zone ("TIF"). are included in the governmental funds (special revenue) of the primary government as blended component units. SPDC was formed in January 1994 pursuant to a successful election in November 1993 to adopt an additional half-cent sales tax for park and recreation facility development. SPDC is organized exclusively to act on behalf of the City for the financing, development and operation of parks and recreation facilities. Also included in this report is financial information for the District. In November 1997, voters approved an additional half-cent sales tax for Crime Control and Prevention initiatives. The District is organized exclusively to act on behalf of the City for the financing, development and crime control throughout the City. In May 2015, Southlake voters overwhelmingly approved the reallocation of a portion of the District half-cent sales tax for the purpose of constructing and operating a recreation center through CEDC. The District's half-cent sales tax was reduced to a one-eighth cent tax, and the remaining three-eighths was reallocated to address recreational and economic development needs for the City, as permitted by State law, through CEDC. Also, included are the financial statements of the TIF which was created in 1997 to encourage quality commercial growth. The TIF was formed to finance and make public improvements, under the authority of the Tax Increment Financing Act.

PROFILE OF THE GOVERNMENT

General Information

Although Southlake has been a high-growth community for years, when the first settlers arrived in 1845 they found only a vast area of land and trees where the grand prairie and cross timbers merged. As the site of the first permanent settlement in Tarrant County, a portion of present day Southlake was homesteaded in 1866, which consisted of 360 acres. Keeping with the time, the primary industry was agriculture. Farmers grew peanuts, grains and cotton, and families raised their own livestock.

The area that would become Southlake remained a rural farming community for more than 100 years until the U.S. Army Corps of Engineers built Lake Grapevine in 1952. The lake spurred much of the area's early growth and was the beginning of dramatic change. The town officially incorporated on September 25, 1956 by a public vote of 30 in favor and 24 against. The original town contained 1.62 square miles and had a population of just over 100. The residents chose to call this new town Southlake because it was… south of Lake Grapevine! The Southlake Fire Department was launched in 1965 and the first piece of fire equipment was a 1950 Diamond T-Military unit with a tank capacity of 1,000 gallons and an auxiliary pump. The first chief of police was hired in 1966, and the City purchased its first patrol car in 1967.

The opening of the Dallas-Fort Worth International Airport in 1974 served as the next catalyst of growth in the area and Southlake residents adopted a home-rule charter in April 1987, which created the current council-manager form of government with six Council Members and a Mayor who are elected at large on a non-partisan basis for staggered three-year terms. But the single most important event in bringing residential subdivision development to Southlake was the completion of water and sewer lines in the southern portion of the city in the early 1990s.

Since that time, much like the area's first settlers were attracted to the area with its endless possibilities, Southlake has continued to attract the suburban settler desiring a high quality of life and the small town charm that has been preserved from Southlake's past.

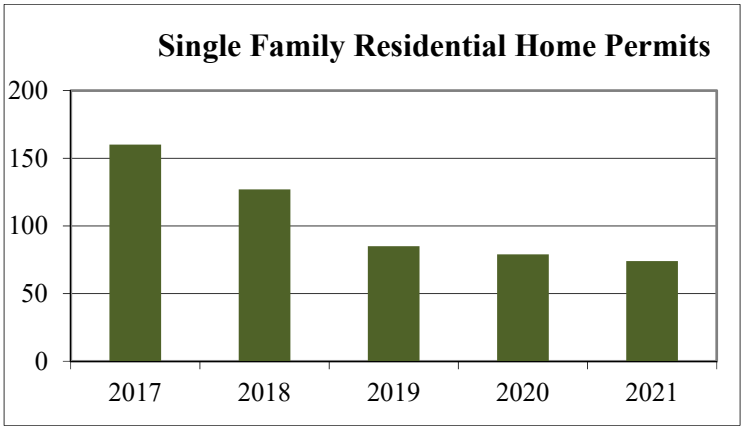
Services Provided

Services provided by the City under general governmental functions include public events, public safety, planning and development, engineering, street maintenance, parks operation and maintenance, recreation, library services, and general administrative services. The City does not provide educational or welfare services.

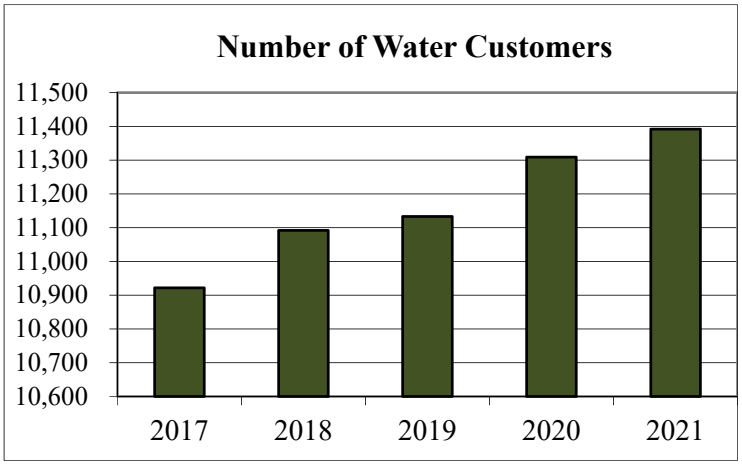
Water and sewer services and solid waste collection are provided under an Enterprise Fund concept, with user charges set by the City Council to ensure adequate coverage of operating expenses and payments of outstanding debt.

Economic Condition and Outlook

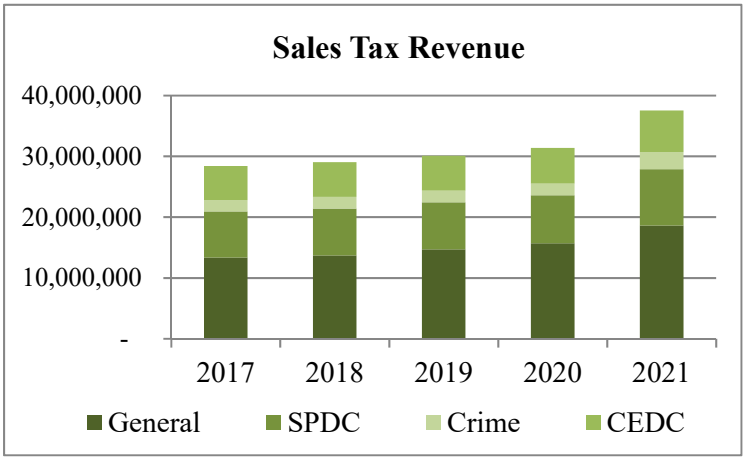
The City is in a prime location in Northeast Tarrant County, 5 minutes west of Dallas/Fort Worth International Airport, and 10 minutes east of the Alliance Airport, a commercial aviation and industrial complex in north Fort Worth. State Highway 114, FM1709, and FM1938, the regional road arterials, serve the City.



There were 74 single family residential permits issued in Fiscal Year 2021 with an average new home construction value, excluding land value, of approximately $1,340,000. As noted on the chart the city experienced a slight reduction in residential home construction.



Water customers increased from 11,309 in Fiscal Year 2020 to 11,392 in 2021, while wastewater customers increased from 9,117 to 9,200 during the same year. The chart shows the five-year trend of increasing water customers, the result of the building permit activity. The City has developed master plans for land use, water, sewer, parks, trails, and thoroughfares, and has implemented regulatory controls that will maintain the anticipated quality growth into the future.



The City of Southlake experienced an increase in sales tax collections during the fiscal year as indicated on the chart. Sales tax collections totaled $37,542,192 in fiscal year 2021, a 19.65% increase from the previous year.

Future Development
During 2021, approximately 10 new construction commercial permits were issued by the city representing over 217,645 square feet of future retail/office.

- Southlake's newest hotel, Westin Southlake, opened in November 2021. The Westin is approximately 216,000 square feet at six stories tall and includes 261 rooms and assorted amenities.

Financial Management Principles
The City has strong financial management principles that provide the framework for the City's financial sustainability.

- Tax rate management. The tax rate is allocated properly between maintenance/operations and debt service.
- Structural balance. The City's ability to weather potential economic downturns or other financial challenges is critical. The City does not use reserves to balance the operating budget.
- Reserve management. The City's fund balance policy requires a minimum 15% and optimum 25% balance. The City uses "excess" reserves as a means to fund one-time, "pay-as-you-go" projects.
- Multi-year financial plan. The long-term effect of today's decisions on tomorrow's financial situation is an important consideration during the budget process.
- Quality service delivery. The City is committed to meeting the needs of our community through high quality service delivery.
- Risk management. The City supports ongoing initiatives to safeguard the public trust by internal audits and other initiatives to maintain a strong control environment.

For fiscal year 2021, the property tax rate was reduced from $0.41 to .405 per $100 net taxable valuation.

OTHER INFORMATION

Independent Audit
The City Charter requires an annual audit of the financial status of the City by independent Certified Public Accountants selected by the City Council. This requirement has been met and the auditor's report has been included in this report.

Awards
The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards.

Such Annual Comprehensive Financial Report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The City of Southlake received a Certificate of Achievement for the year ended September 30, 2020, and believes our current report conforms to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

In addition, the City also received the GFOA's Distinguished Budget Presentation award for its annual budget dated October 1, 2020. In order to qualify for this award, the City's budget document was judged to be proficient in all categories, including as a policy document, a financial plan, and operations guide, and a communications device.

Acknowledgments
The preparation of this report could not be accomplished without the dedication and efficiency of the entire staff and our independent auditor. I would like to express my sincere appreciation to all employees who contributed to its preparation. I would also like to thank the Mayor and members of the City Council for their support in planning and conducting the financial operations of the City in a responsible and efficient manner.

Respectfully submitted,

Sharen Jackson

Sharen Jackson, CPA
Chief Financial Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Southlake
Texas

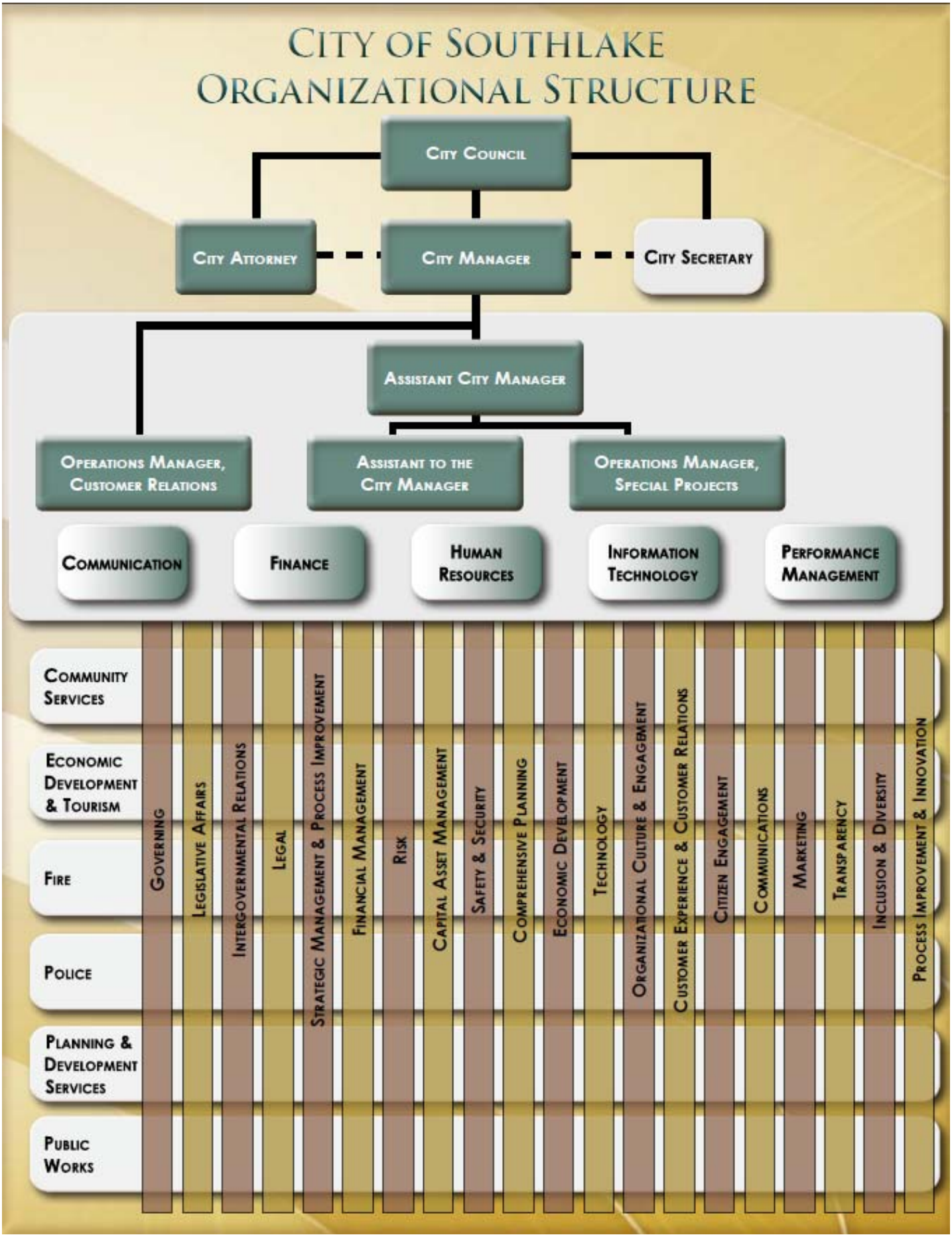
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morrill

Executive Director/CEO

City of Southlake
Organizational Structure



LIST OF PRINCIPAL OFFICIALS

John Huffman	Mayor
Chad Patton	Mayor Pro Tem
Randy Williamson	Deputy Mayor Pro Tem
Kathy Talley	Council Member
Randy Robbins	Council Member
Ronell Smith	Council Member
Amy Torres-Lepp	Council Member
Shana K. Yelverton	City Manager
Alison Ortowski	Assistant City Manager
Amy Shelley	City Secretary
Sharen Jackson	Chief Financial Officer
Daniel Cortez	Director of Economic Development/Tourism
Robert Cohen	Director of Public Works
Chris Tribble	Director of Community Services
Stacey Black	Director of Human Resources
Ken Baker	Director of Planning/Development

FINANCIAL SECTION

Independent Auditor's Report

To Members of the City Council
and City Manager
City of Southlake, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Southlake, Texas (the City) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, TMRS pension schedules, OPEB schedules and condition rating of street system, as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

The Members of the City Council
and City Manager
City of Southlake, Texas

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
March 11, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Southlake's Management's Discussion and Analysis (MD&A) is designed to provide an objective and easy to read analysis of the City's financial activities based on currently known facts, decisions, and conditions. It is intended to provide a broad overview and short-term analysis of the City's activities based on information presented in the financial statements. Specifically, this information is designed to assist the reader in focusing on significant financial issues, provide an overview of the City's financial activity, identify changes in the City's financial position (its ability to address the next and subsequent years' challenges), identify material deviations from the approved budget, and identify individual fund issues.

The City presents its financial statements in accordance with the reporting model required by Governmental Accounting Standards Board Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis- for State and Local Governments.* This reporting model significantly changes not only the presentation of financial data, but also the manner in which the information is recorded.

The information contained within this MD&A is only a component of the entire financial statement report. Readers should take time to read and evaluate all sections of the report, including the footnotes and the other Required Supplementary Information that is provided in addition to this MD&A.

FINANCIAL HIGHLIGHTS

The assets and deferred outflows of resources of the City of Southlake exceeded its liabilities and deferred inflows of resources at September 30, 2021 by $692,665,685 (net position). Of this amount, $143,009,198 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

The City's total net position increased by $37,831,508. This increase can be attributed to increases in sales tax revenue and capital grants and contributions.

At September 30, 2021, the City's governmental funds reported combined ending fund balances of $136,589,707. Approximately $69,373 is nonspendable, $40,149,263 is restricted by an outside source, $52,714,881 is committed for future uses, $27,845,344 is assigned by management for specified purposes, and $15,810,846 is available for spending at the government's discretion (unassigned fund balance).

At the end of the current fiscal year, unassigned fund balance for the General Fund was $ 15,810,846 or 36.7% of total General Fund expenditures.

At the end of the current fiscal year, the City of Southlake outstanding debt totals $116,303,677 a net decrease of $11,402,683 from the previous year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The reporting focus is on the City as a whole and on individual major funds. It is intended to present a more comprehensive view of the City's financial activities.

The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business. Both are prepared using the economic resources measurement focus and the accrual basis of accounting; meaning that all the current year's revenues and expenses are included regardless of when cash is received or paid.

The Statement of Net Position presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, including capital assets and long-term obligations. The difference between the two is reported as net position. Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other indicators of the City's financial position should be taken into consideration, such as the change in the City's property tax base and condition of the City's infrastructure (i.e., roads, drainage systems, water and sewer lines, etc.), in order to more accurately assess the overall financial condition of the City.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. It focuses on both the gross and net costs of the government's various activities and thus summarizes the cost of providing specific government services. This statement includes all current year revenues and expenses.

The Statement of Net Position and the Statement of Activities divide the City's activities into two types:

Governmental activities- Most of the City's basic services are reported here, including general administration, debt services, public safety, public works, parks and community services, public library, public events and facilities, planning and development and finance. Property, sales and franchise taxes provide the majority of the financing for these activities.

Business-Type activities- Activities for which the City charges a fee to customers to pay most or all of the costs of a service it provides are reported here. The City's business-type activities include water distribution and wastewater collection and solid waste collection and disposal.

The government-wide financial statements are found on pages 16-17 of this report.

FUND FINANCIAL STATEMENTS

The City of Southlake, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. These statements focus on the most significant funds and may be used to find more detailed information about the City's most significant activities. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds- These funds are used to account for the majority of the City's activities, which are essentially the same functions reported as governmental activities in the government-wide statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as spendable resources available at the end of the fiscal year for future spending. Such information may be useful in evaluating a government's near-term financing requirements.

The focus of the governmental funds financial statements is narrower than that of the government-wide financial statements. Therefore, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances provided a reconciliation to facilitate this comparison. The reconciliation explains the differences between the government's activities as reported in the government-wide financial statements and the information presented in the governmental funds financial statements.

The City maintains 25 individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, General Obligation Debt Service Fund, General Capital Projects Fund, Southlake Parks Development Corporation, Tax Increment Financing District Fund, and Community Enhancement Development Corporation Special Revenue Fund, all of which are considered to be major funds. Data for the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental funds financial statements can be found on pages 18-23 of this report.

Proprietary Funds- When the City charges customers for services it provides, the activities are generally reported in proprietary funds. The City of Southlake maintains two different types of proprietary funds: enterprise and internal service funds.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer operations and solid waste. These services are primarily provided to outside or non-governmental customers.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for vehicle and equipment replacement.

Proprietary funds financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds financial statements provide separate information for the water and sewer operations, which is considered to be a major fund of the City, and can be found on pages 24-26 of this report.

Fiduciary funds – the City presents one trust fund, the Southlake OPEB Liability Trust Fund, which accounts for the funding of post-employment healthcare benefits for retirees of the City and their dependents. The financial statements for the fiduciary funds can be found on pages 27-28 of this report.

NOTES TO THE FINANCIAL STATEMENTS

The Notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages 29-69 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Total assets of the City at September 30, 2021 were $821,867,971 while total liabilities were $131,165,100 along with deferred outflows $(5,836,152) and inflows $(3,873,338) of resources resulting in a net position balance of $692,665,685.

The largest portion of the City's net position, $509,786,436 reflects its investment in capital assets (land and improvements, building, infrastructure, machinery and equipment net of accumulated depreciation); less any related debt used to acquire those assets that is still outstanding. The City uses these assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City reports its capital assets net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Governmental Activities net position increased by $29,410,507. This increase is primarily attributable to increases in sales taxes, and capital grants, capital contributions and a decrease in expenses.

Business-type Activities net position increased by $8,421,001. The majority of this change can be attributed to an increase in capital grants, capital contributions and a decrease in expenses.

The following analysis highlights the net position as of September 30, 2021:

	Governmental Activities	Business-Type Activities	2021 Total
Current and other assets:	$ 156,776,182	$ 58,951,991	$ 215,728,173
Capital assets	505,260,116	100,879,682	606,139,798
Total assets	**662,036,298**	**159,831,673**	**821,867,971**
Deferred outflows of resources	5,196,854	639,298	5,836,152
Other liabilities	12,097,048	2,764,375	14,861,423
Long-term debt outstanding	84,047,124	32,256,553	116,303,677
Total liabilities	**96,144,172**	**35,020,928**	**131,165,100**
Deferred inflows of resources	3,289,949	583,389	3,873,338
Net position:			
Net investment in capital assets	432,717,828	77,068,608	509,786,436
Restricted-debt service	5,315,367	-	5,315,367
Restricted-other	34,554,684	-	34,554,684
Unrestricted	95,211,152	47,798,046	143,009,198
Total net position	**$ 567,799,031**	**$ 124,866,654**	**$ 692,665,685**

The following analysis highlights the net position as of September 30, 2020:

	Governmental Activities	Business-Type Activities	2020 Total
Current and other assets:	$ 141,336,978	$ 53,173,033	$ 194,510,011
Capital assets	495,541,702	101,373,588	596,915,290
Total assets	**636,878,680**	**154,546,621**	**791,425,301**
Deferred outflows of resources	5,745,765	723,678	6,469,443
Other liabilities	8,601,304	2,961,601	11,562,905
Long-term debt outstanding	92,490,934	35,215,426	127,706,360
Total liabilities	**101,092,238**	**38,177,027**	**139,269,265**
Deferred inflows of resources	3,143,683	647,619	3,791,302
Net position:			
Net investment in capital assets	415,945,257	76,271,158	492,216,415
Restricted-debt service	6,774,153	-	6,774,153
Restricted-other	18,744,691	-	18,744,691
Unrestricted	96,924,423	40,174,495	137,098,918
Total net position	**$ 538,388,524**	**$ 116,445,653**	**$ 654,834,177**

The following analysis highlights the changes in net position for the year ended September 30, 2021:

	Governmental Activities	Business-Type Activities	2021 Total
Revenues:			
Program revenues:			
Charges for services	$ 8,945,731	$ 32,071,140	$ 41,016,871
Operating grants and contributions	894,423	-	894,423
Capital grants and contributions	5,882,015	3,332,452	9,214,467
General revenues:			
Taxes	82,793,407	-	82,793,407
Interest on investments	101,746	32,272	134,018
Miscellaneous	709,736	-	709,736
Total revenues	99,327,058	35,435,864	134,762,922
Expenses:			
General government	20,990,841	-	20,990,841
Public safety	23,642,969	-	23,642,969
Public works	9,122,951	-	9,122,951
Culture and recreation	15,367,103	-	15,367,103
Interest on long-term debt	2,076,809	-	2,076,809
Water and sewer	-	25,730,741	25,730,741
Total expenses	71,200,673	25,730,741	96,931,414
Increase in net position before transfers	28,126,385	9,705,123	37,831,508
Transfers	1,284,122	(1,284,122)	-
Increase in net position	29,410,507	8,421,001	37,831,508
Net position-beginning of year	538,388,524	116,445,653	654,834,177
Net position-End of Year	**$ 567,799,031**	**$ 124,866,654**	**$ 692,665,685**

The following analysis highlights the changes in net position for the year ended September 30, 2020:

	Governmental Activities	Business-Type Activities	2020 Total
Revenues:			
Program revenues:			
Charges for services	$ 8,986,355	$ 32,271,341	$ 41,257,696
Operating grants and contributions	1,807,473	-	1,807,473
Capital grants and contributions	1,422,315	1,315,092	2,737,407
General revenues:			
Taxes	76,904,467	-	76,904,467
Interest on investments	1,721,876	566,411	2,288,287
Miscellaneous	1,222,231	-	1,222,231
Total revenues	92,064,717	34,152,844	126,217,561
Expenses:			
General government	21,275,487	-	21,275,487
Public safety	24,054,527	-	24,054,527
Public works	9,839,646	-	9,839,646
Culture and recreation	17,665,953	-	17,665,953
Interest on long-term debt	2,171,359	-	2,171,359
Water and sewer	-	27,490,815	27,490,815
Total expenses	75,006,972	27,490,815	102,497,787
Increase in net position before transfers	17,057,745	6,662,029	23,719,774
Transfers	1,234,945	(1,234,945)	-
Increase in net position	18,292,690	5,427,084	23,719,774
Net position-beginning of year	520,095,834	111,018,569	631,114,403
Net position-End of Year	**$ 538,388,524**	**$ 116,445,653**	**$ 654,834,177**

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

Governmental Funds- The focus of the City of Southlake's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined fund balances of $136,589,707. Approximately 11.6% or $15,810,846 constitutes unassigned fund balance, which is available for spending at the government's discretion. Other portions of the fund balance are either nonspendable, restricted, committed or assigned for specific purposes to pay for debt service $(5,594,579) recycling $(76,458), police expenditures $(6,549,013) parks $(26,585,410), capital projects $(44,304,341), reinvestment zone expenditures $(5,641,893), municipal court expenditures $(775,437), oil and gas expenditures $(55,451), storm water expenditures ($1,255,873), promotion of culture and tourism $(2,089,422), strategic initiative expenditures $(15,096,120), facility maintenance $(9,351,441), economic investment $(2,870,637) and other $(532,786).

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was $15,810,846. As a measure of the General Fund's liquidity, it may be useful to compare both the unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 36.7% of total General Fund expenditures, while total fund balance represents 101.4 % of total General Fund expenditures. The fund balance of the General fund increased $6,080,840 during the current fiscal year. The key factor in the increase in fund balance is the increase in sales taxes of $2,938,193 and the reduction in expenditures of $3,171,002.

The General Obligation Debt Service Fund has a fund balance of $3,110,539 all of which is restricted for the payment of debt service. The fund balance decreased during the year by $1,525,026 primarily due to increased debt service payments. The fund balance in the General Capital Projects Funds ended the year at $30,161,629, a decrease of $2,438,270 due to the current year spending of bond proceeds issued in prior years for capital projects. The Southlake Parks Development Corporation Special Revenue fund balance increased by $2,782,429 primarily due to an increase in expenditures and transfers out to capital projects funds for projects. The Tax Increment Financing District fund balance increased by $641,998 primarily due to increased property tax revenues. The Community Enhancement Development Corporation Special Revenue Fund balance increased $2,918,864 due to increased sales taxes and charges for services revenues.

FINANCIAL ANALYSIS OF THE PROPRIETARY FUNDS

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position reported in the Proprietary Funds were: $47,798,046 in the Water and Sewer Fund and $7,945,569 in the Vehicle and Equipment Replacement Fund. Total net position in the Water and Sewer Fund increased by $8,421,001 while the Vehicle and Equipment Replacement Fund net position increased by $1,017,226. Operating revenues exceeding operating expenses is the primary reason for the respective change in the Water and Sewer Fund net position.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City made revisions to the original budget approved by the City Council. Management's estimate of the General Fund's budgeted revenues increased $1,401,758 or 3% from original budget based on year-to-date experience. Actual revenues exceeded budget by $4,002,400 primarily due to municipal sales and mixed beverage taxes exceeding budget by $2,433,383. Actual expenditures were $1,843,197 less than budgeted due to costs savings realized by all departments.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - The City's investment in capital assets for its governmental and business-type activities as of September 30, 2021 amount to $606,139,798 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure and construction in progress.

The City has elected to use the modified approach for its street system in lieu of the depreciation method. An up-to-date inventory of these infrastructure assets was performed and the annual costs to maintain and preserve these assets was established and disclosed through administrative policy. The current condition level of the street system meets the target condition level established by the City. There were no significant changes in the condition levels of infrastructure assets, and the differences between the estimated amounts necessary to maintain and preserve the street system at target condition levels and the actual amount of expense incurred for that purpose for 2021 was not material. Major capital projects completed during the current year included the following:

- Bicentennial Park Phase III
- Florence Road Drainage Improvement
- N. White Chapel Drainage Improvements
- 12" Water line Fuel Farm Sewer line Lake Drive Neighborhood

	Governmental Activities	Business-Type Activities	2021 Total
Land and improvements	$ 114,028,157	$ 21,009,675	$ 135,037,832
Buildings and improvements	113,071,566	168,279	113,239,845
Improvements	-	78,981,172	78,981,172
Infrastructure	250,632,439	-	250,632,439
Machinery and equipment	9,785,083	141,372	9,926,455
Construction in Progress	17,742,871	579,184	18,322,055
Total	$ 505,260,116	$ 100,879,682	$ 606,139,798

	Governmental Activities	Business-Type Activities	2020 Total
Land and improvements	$ 113,048,280	$ 19,952,145	$ 133,000,425
Buildings and improvements	114,067,795	198,597	114,266,392
Improvements	-	79,568,491	79,568,491
Infrastructure	247,525,907	-	247,525,907
Machinery and equipment	9,203,686	259,592	9,463,278
Construction in Progress	11,696,034	1,394,763	13,090,797
Total	$ 495,541,702	$ 101,373,588	$ 596,915,290

Additional information on the City's capital assets can be found in Note 4 on pages 48-49 of this report.

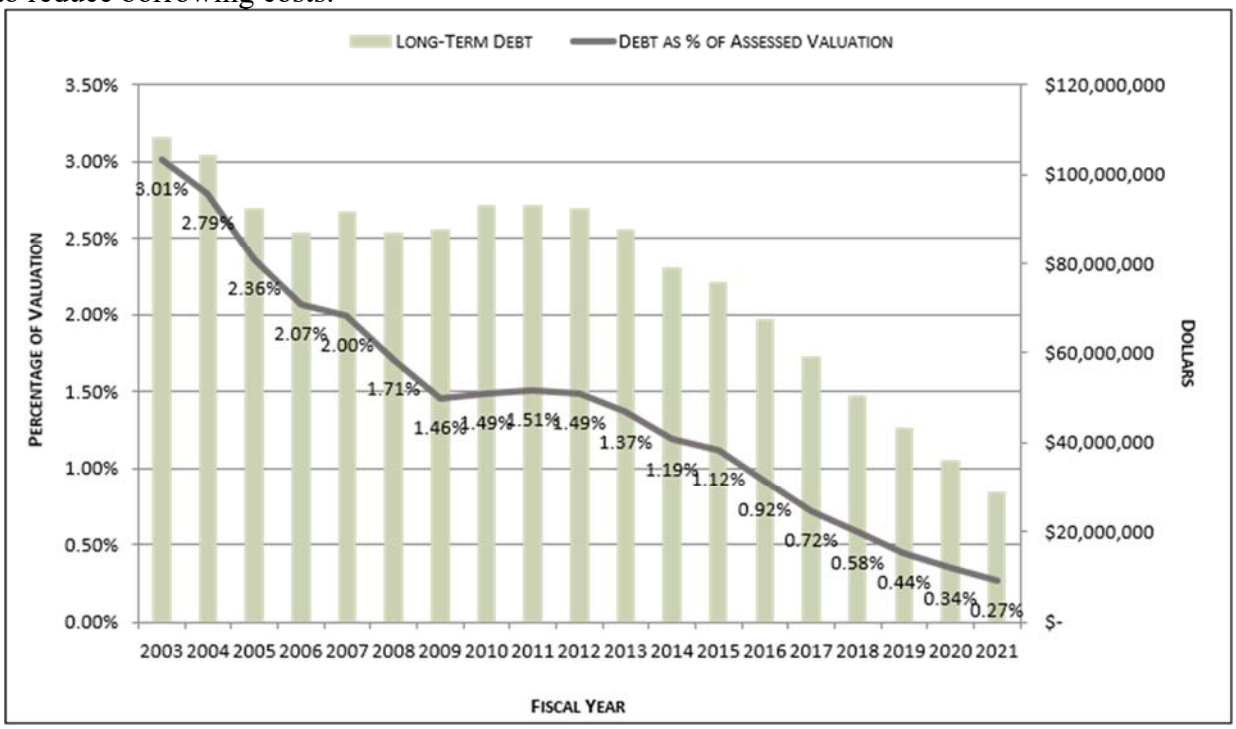
Long-term Debt- At the end of the current fiscal year, the City of Southlake had $73,797,108 total long-term debt outstanding of bonds issued to finance capital improvements for roadway, parks and recreation, public building and infrastructure. $31,133,829 of Utility System bonds, which financed projects to increase capacity of the Utility system, was also outstanding. An additional $1,626,695 was reported for compensated absences at year-end.

	Governmental Activities	Business-Type Activities	2021 Total
Bonds payable	$ 73,797,108	$ 31,133,829	$ 104,930,937
Unearned revenue	-	200,774	200,774
Total OPEB liability for SDBF	978,660	77,178	1,055,838
Net pension liability	7,732,031	757,402	8,489,433
Compensated absences	1,539,325	87,370	1,626,695
Total	**$ 84,047,124**	**$ 32,256,553**	**$ 116,303,677**

	Governmental Activities	Business-Type Activities	2020 Total
Bonds payable	$ 81,163,954	$ 34,031,551	$ 115,195,505
Unearned revenue	-	209,631	209,631
Total OPEB liability for SDBF	798,257	64,312	862,569
Net OPEB liability for Health	326,828	-	326,828
Net pension liability	8,616,920	820,510	9,437,430
Compensated absences	1,584,975	89,422	1,674,397
Total	**$ 92,490,934**	**$ 35,215,426**	**$ 127,706,360**

The City takes it debt obligation very seriously. Several years ago, the City Council working with City staff set goals to reduce the debt as percentage of assessed valuation over the total long term debt. As you can see in the figure below, the City has reduced the percentage from 3.01% in 2003 to 0.27% in 2021, during a time of growth for the City. The line that you see on this chart is a graphic illustration of one of the reasons why two bond rating agencies have rated Southlake's bonds "AAA".

The City has been able to effectively manage its debt during a period of growth using cash to partially offset borrowing needs. Additionally, managing debt amortization has been a tool used to reduce borrowing costs.



The City's bonds are rated "AAA" by Standard and Poor's and Fitch Ratings. The City is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to $2.50 per $100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt.

Additional information on the City's long-term debt can be found in Note 6 on pages 49-53 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The State of Texas, by constitution, does not have a personal income tax and therefore the State operates primarily using sales and gasoline taxes. Local governments primarily rely on property and sales taxes and fees to fund their government activities.

While property taxes are important to the City, they represent 44.5% of total governmental revenue. Sales tax continues to grow as the second largest governmental resource representing 41.1% of total governmental revenue. The City monitors all of its resources and determines the need for program adjustment or fee increases accordingly.

The FY 2022 Adopted Budget reduced the City's property tax rate from $0.405 to $0.39 per $100 net taxable valuation. The City's property tax roll remained relatively flat with a decrease of 0.01 percent in net taxable value. As an element of the City's tax relief initiative the homestead exemption was held at the maximum level of 20%. The estimate of the FY 2022 tax roll is based on the certified roll as provided by the Tarrant Appraisal District (TAD) in July. The assumed collection rate is 100 percent.

Requests for Information

This financial report is designed to provide a general overview of the City of Southlake's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Chief Financial Officer, 1400 Main Street, 4th Floor Finance Department, Southlake, Texas 76092.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

CITY OF SOUTHLAKE, TEXAS **EXHIBIT 1**
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and cash equivalents	$ 145,086,464	$ 31,980,485	$ 177,066,949
Receivables (net of allowance for uncollectibles)	8,243,995	5,512,784	13,756,779
Prepaid items	30,370	-	30,370
Inventories	39,003	-	39,003
Restricted assets			
Cash and cash equivalents	3,103,054	21,173,563	24,276,617
Restricted cash for customer deposits	-	285,159	285,159
Receivables	20,995	-	20,995
OPEB asset	252,301	-	252,301
Capital assets:			
Non-depreciable	331,600,927	21,588,859	353,189,786
Depreciable (net of depreciation)	173,659,189	79,290,823	252,950,012
TOTAL ASSETS	662,036,298	159,831,673	821,867,971
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge for refunding	1,357,894	376,378	1,734,272
Deferred outflows - TMRS pension	2,977,920	243,692	3,221,612
Deferred outflows - TMRS OPEB	257,382	19,228	276,610
Deferred outflows - OPEB Health	603,658	-	603,658
TOTAL DEFERRED OUTFLOWS OF RESOURCES	5,196,854	639,298	5,836,152
LIABILITIES			
Accounts payable	5,372,757	2,150,081	7,522,838
Accrued liabilities	1,408,287	201,378	1,609,665
Accrued interest payable	-	127,757	127,757
Unearned revenue	5,023,282	-	5,023,282
Liabilities payable from restricted assets			
Accrued interest	292,722	-	292,722
Customer meter deposits	-	285,159	285,159
Non-current liabilities:			
Due within one year	9,961,631	2,440,065	12,401,696
Due in more than one year	74,085,493	29,816,488	103,901,981
TOTAL LIABILITIES	96,144,172	35,020,928	131,165,100
DEFERRED INFLOWS OF RESOURCES			
Deferred gain on refunding	103,369	384,605	487,974
Deferred inflows - TMRS pension	2,688,598	192,926	2,881,524
Deferred inflows - TMRS OPEB	78,140	5,858	83,998
Deferred inflows - OPEB Health	419,842	-	419,842
TOTAL DEFERRED INFLOWS OF RESOURCES	3,289,949	583,389	3,873,338
NET POSITION			
Net investment in capital assets	432,717,828	77,068,608	509,786,436
Restricted for debt service	5,315,367	-	5,315,367
Restricted for municipal court	775,437	-	775,437
Restricted for reinvestment zone	5,641,893	-	5,641,893
Restricted for parks and recreation	24,792,059	-	24,792,059
Restricted for storm water	1,255,873	-	1,255,873
Restricted for promotion of culture and tourism	2,089,422	-	2,089,422
Unrestricted	95,211,152	47,798,046	143,009,198
TOTAL NET POSITION	$ 567,799,031	$ 124,866,654	$ 692,665,685

The Notes to Financial Statements are an integral part of this statement.

CITY OF SOUTHLAKE, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

EXHIBIT 2

Functions/Program Activities	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Business - Type Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: TOTAL
PRIMARY GOVERNMENT:							
Governmental Activities:							
General government	$ 20,990,841	$ 1,733,148	$ -	$ -	$ (19,257,693)	$ -	$ (19,257,693)
Public safety	23,642,969	2,166,430	777,341	-	(20,699,198)	-	(20,699,198)
Public works	9,122,951	1,658,723	-	5,882,015	(1,582,213)	-	(1,582,213)
Culture and recreation	15,367,103	3,387,430	117,082	-	(11,862,591)	-	(11,862,591)
Interest on long-term debt	2,076,809	-	-	-	(2,076,809)	-	(2,076,809)
Total governmental activities	71,200,673	8,945,731	894,423	5,882,015	(55,478,504)	-	(55,478,504)
Business-type Activities:							
Water and sewer	25,730,741	32,071,140	-	3,332,452	-	9,672,851	9,672,851
Total business-type activities	25,730,741	32,071,140	-	3,332,452	-	9,672,851	9,672,851
TOTAL PRIMARY GOVERNMENT	$ 96,931,414	$ 41,016,871	$ 894,423	$ 9,214,467	$ (55,478,504)	$ 9,672,851	$ (45,805,653)
General revenues and transfers:							
Taxes:							
Property taxes, levied for general purposes					$ 41,660,369	$ -	$ 41,660,369
Sales taxes					38,461,312	-	38,461,312
Franchise taxes					2,671,726	-	2,671,726
Interest on investments					101,746	32,272	134,018
Miscellaneous					709,736	-	709,736
Transfers					1,284,122	(1,284,122)	-
Total general revenues and transfers					84,889,011	(1,251,850)	83,637,161
CHANGE IN NET POSITION					29,410,507	8,421,001	37,831,508
NET POSITION, beginning of year					538,388,524	116,445,653	654,834,177
NET POSITION, end of year					$ 567,799,031	$ 124,866,654	$ 692,665,685

The Notes to Financial Statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS
FINANCIAL STATEMENTS

CITY OF SOUTHLAKE, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	GENERAL	GENERAL OBLIGATION DEBT SERVICE	GENERAL CAPITAL PROJECTS
ASSETS			
Cash and cash equivalents	$ 48,309,221	$ 3,103,054	$ 31,873,676
Receivables, net of allowances for uncollectibles:			
Ad valorem taxes	73,362	16,673	-
Franchise taxes	810,888	-	-
Sales taxes	3,191,101	-	-
Interest	61,687	4,322	44,379
Other	124,247	-	48,290
Inventories	39,003	-	-
Prepaid items	30,370	-	-
TOTAL ASSETS	$ 52,639,879	$ 3,124,049	$ 31,966,345
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 2,943,142	$ -	$ 1,756,426
Accrued liabilities	1,200,908	-	-
Unearned revenue	4,647,787	-	-
TOTAL LIABILITIES	8,791,837	-	1,756,426
DEFERRED INFLOWS OF RESOURCES			
Unavailable resources	122,479	13,510	48,290
TOTAL DEFERRED INFLOWS OF RESOURCES	122,479	13,510	48,290
FUND BALANCES			
Nonspendable for:			
Inventories	39,003	-	-
Prepaid expenditures	30,370	-	-
Restricted for:			
Debt service	-	3,110,539	-
Municipal court expenditures	-	-	-
Reinvestment zone expenditures	-	-	-
Parks and recreation	-	-	-
Storm water	-	-	-
Promotion of culture and tourism	-	-	-
Committed for:			
Police expenditures	-	-	-
Parks and recreation	-	-	-
Oil and gas expenditures	-	-	-
Library	-	-	-
Capital projects	-	-	30,161,629
Assigned for:			
Teen Court expenditures	20,721	-	-
Senior Center expenditures	11,074	-	-
Recycling	76,458	-	-
Reforestation expenditures	54,847	-	-
Public art	364,046	-	-
Facility maintenance	9,351,441	-	-
Economic investment	2,870,637	-	-
Strategic initiatives	15,096,120	-	-
Unassigned	15,810,846	-	-
TOTAL FUND BALANCES	43,725,563	3,110,539	30,161,629
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 52,639,879	$ 3,124,049	$ 31,966,345

The Notes to Financial Statements are an integral part of this statement.

SOUTHLAKE PARKS DEVELOPMENT CORPORATION	TAX INCREMENT FINANCING DISTRICT	COMMUNITY ENHANCEMENT DEVELOPMENT CORPORATION SPECIAL REVENUE	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
$ 10,613,550	$ 5,697,426	$ 11,882,191	$ 28,775,878	$ 140,254,996
-	-	-	-	90,035
-	-	-	-	810,888
1,586,953	-	1,175,521	485,304	6,438,879
14,778	7,933	16,554	40,072	189,725
25,637	183,183	133,784	209,275	724,416
-	-	-	-	39,003
-	-	-	-	30,370
$ 12,240,918	$ 5,888,542	$ 13,208,050	$ 29,510,529	$ 148,578,312
$ 67,413	$ 237,817	$ 82,223	$ 285,736	$ 5,372,757
10,057	8,832	121,721	66,769	1,408,287
-	-	375,495	-	5,023,282
77,470	246,649	579,439	352,505	11,804,326
-	-	-	-	184,279
-	-	-	-	184,279
-	-	-	-	39,003
-	-	-	-	30,370
-	-	-	2,484,040	5,594,579
-	-	-	775,437	775,437
-	5,641,893	-	-	5,641,893
12,163,448	-	12,628,611	-	24,792,059
-	-		1,255,873	1,255,873
-	-	-	2,089,422	2,089,422
-	-	-	6,549,013	6,549,013
-	-	-	1,793,351	1,793,351
-	-	-	55,451	55,451
-	-	-	12,725	12,725
-	-	-	14,142,712	44,304,341
-	-	-	-	20,721
-	-	-	-	11,074
-	-	-	-	76,458
-	-	-	-	54,847
-	-	-	-	364,046
-	-	-	-	9,351,441
-	-	-	-	2,870,637
-	-	-	-	15,096,120
-	-	-	-	15,810,846
12,163,448	5,641,893	12,628,611	29,158,024	136,589,707
$ 12,240,918	$ 5,888,542	$ 13,208,050	$ 29,510,529	$ 148,578,312

CITY OF SOUTHLAKE, TEXAS **EXHIBIT 4**
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2021

Total fund balances - governmental funds	$ 136,589,707
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet (Less $5,849,960 in assets allocated to governmental activities from the internal service fund).	499,410,156
Interest payable on long-term debt does not require current financial resources; therefore, interest payable is not reported as a liability in the governmental funds balance sheet.	(292,722)
Internal service funds are used by management to charge the cost of certain activities, such as fleet management, to individual funds. This amount represents the assets less the liabilities of the internal service fund allocated to governmental activities.	13,795,529
OPEB asset has not been included in the governmental fund financial statements, as these assets do not represent current financial resources.	252,301
Revenues earned but not available within sixty days of the year end are not recognized as revenue on the fund financial statements.	184,279
For debt refundings, the difference between the acquisition price and net carrying amount of the debt has been deferred and amortized in the government-wide financial statements. This amount is the net of deferred losses, $1,357,894 and gains ($103,369) on refundings.	1,254,525
Deferred outflows of resources related to the City's pension and OPEB liabilities result in an increase in net position in the government-wide financial statements.	3,838,960
Deferred inflows of resources related to the City's pension and OPEB liabilities result in a decrease in net position in the government-wide financial statements.	(3,186,580)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the fund financial statements.	(84,047,124)
Net position of governmental activities	$ 567,799,031

The Notes to Financial Statements are an integral part of this statement.

CITY OF SOUTHLAKE, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	GENERAL	GENERAL OBLIGATION DEBT SERVICE	GENERAL CAPITAL PROJECTS
REVENUES			
Ad valorem taxes, penalties and interest	$ 25,926,682	$ 5,930,642	$ -
Franchise taxes	2,671,726	-	-
Municipal sales and mixed beverage taxes	18,626,383	-	-
Licenses, permits and fees	1,706,685	-	-
Charges for services	1,709,545	-	-
Fines and forfeitures	843,169	-	-
Grants	231,141	-	-
Capital recovery fees	-	-	232,525
Interest earned	27,667	18,753	12,657
Contributions	-	-	184
Miscellaneous	682,075	-	-
TOTAL REVENUES	52,425,073	5,949,395	245,366
EXPENDITURES			
Current			
General government			
City secretary/mayor	541,041	-	-
City manager's office	912,198	-	-
Human resources	825,450	-	-
Support services	4,266,695	-	-
Economic development	968,920	-	-
Finance	1,502,077	-	-
Municipal court	735,208	-	-
Teen court	145,482	-	-
Information technology	3,482,572	-	-
Public safety			
Police services	7,059,221	-	-
Fire services	10,059,078	-	-
Public safety support	1,555,409	-	-
Building inspection	1,118,454	-	-
Public works			
Public works administration	1,901,372	-	-
Streets and drainage	1,054,849	-	2,511,835
Planning	1,084,649	-	-
Cultural and recreation			
Community services	1,113,479	-	-
Parks and recreation	3,430,080	-	8,341
Library services	843,345	-	-
Promotion of culture and tourism	-	-	-
Intergovernmental	-	-	-
Capital outlay	506,384	-	8,339,508
Debt service:			
Principal retirement	-	6,766,201	-
Interest and fiscal charges	-	882,829	51,952
TOTAL EXPENDITURES	43,105,963	7,649,030	10,911,636
Excess (deficiency) of revenues over (under) expenditures	9,319,110	(1,699,635)	(10,666,270)
OTHER FINANCING SOURCES (USES)			
Issuance of long-term debt	-	-	3,753,000
Issuance of refunding bonds	-	-	-
Payment to refunding bond escrow agent	-	-	-
Proceeds from the sale of capital assets	27,288	-	-
Transfers from other funds	2,109,442	174,609	4,475,000
Transfers to other funds	(5,375,000)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(3,238,270)	174,609	8,228,000
NET CHANGE IN FUND BALANCES	6,080,840	(1,525,026)	(2,438,270)
FUND BALANCES, BEGINNING OF YEAR	37,644,723	4,635,565	32,599,899
FUND BALANCES, END OF YEAR	$ 43,725,563	$ 3,110,539	$ 30,161,629

The Notes to Financial Statements are an integral part of this statement.

SOUTHLAKE PARKS DEVELOPMENT CORPORATION	TAX INCREMENT FINANCING DISTRICT	COMMUNITY ENHANCEMENT DEVELOPMENT CORPORATION SPECIAL REVENUE	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
$ -	$ 9,818,337	$ -	$ -	$ 41,675,661
-	-	-	-	2,671,726
9,249,931	-	6,851,800	3,733,198	38,461,312
-	-	-	334,504	2,041,189
-	-	2,495,965	1,578,042	5,783,552
-	-	-	111,640	954,809
-	-	-	529,517	760,658
-	-	-	-	232,525
6,908	3,580	8,526	18,092	96,183
-	-	1,360	71,021	72,565
153,824	-	1,063	-	836,962
9,410,663	9,821,917	9,358,714	6,376,014	93,587,142
-	-	-	-	541,041
-	-	-	-	912,198
-	-	-	-	825,450
-	800,191	-	-	5,066,886
-	-	-	-	968,920
-	-	-	-	1,502,077
-	-	-	56,172	791,380
-	-	-	-	145,482
-	-	-	-	3,482,572
-	244,086	-	1,680,148	8,983,455
-	-	-	298,684	10,357,762
-	-	-	-	1,555,409
-	-	-	-	1,118,454
-	-	-	-	1,901,372
-	-	-	624,500	4,191,184
-	-	-	-	1,084,649
-	-	-	-	1,113,479
1,462,998	-	3,671,870	36,319	8,609,608
-	-	-	2,922	846,267
-	-	-	633,255	633,255
-	6,049,200	-	-	6,049,200
22,739	2,086,442	-	566,150	11,521,223
-	-	-	3,575,000	10,341,201
-	-	-	1,694,804	2,629,585
1,485,737	9,179,919	3,671,870	9,167,954	85,172,109
7,924,926	641,998	5,686,844	(2,791,940)	8,415,033
-	-	-	-	3,753,000
-	-	-	1,989,000	1,989,000
-	-	-	(1,954,804)	(1,954,804)
-	-	-	-	27,288
-	-	-	7,402,030	14,161,081
(5,142,497)	-	(2,767,980)	(1,591,482)	(14,876,959)
(5,142,497)	-	(2,767,980)	5,844,744	3,098,606
2,782,429	641,998	2,918,864	3,052,804	11,513,639
9,381,019	4,999,895	9,709,747	26,105,220	125,076,068
$ 12,163,448	$ 5,641,893	$ 12,628,611	$ 29,158,024	$ 136,589,707

CITY OF SOUTHLAKE, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED SEPTEMBER 30, 2021

EXHIBIT 6

Net change in fund balances - total governmental funds		$ 11,513,639
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital assets additions recorded in the current period (does not include additions of $1,950,025 allocated from internal service fund).		11,521,223
Depreciation expense on capital assets is reported in the statement of activities but does not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in the governmental funds. (Does not include $972,353 allocated from internal service fund).		(8,419,133)
The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This amount is the net effect of the following items:		
o Bond proceeds	(5,742,000)	
o Payment to refunded bond escrow	1,954,804	
o Repayments	10,341,201	
o Amortization of premiums and deferred losses	499,857	
		7,053,862
The changes in net pension liability and deferred outflows/inflows from TMRS are not reported in the governmental funds. This is the net effect of the decrease in the net pension liability, $884,889, decrease in deferred inflows of resources, $169,132, and decrease in deferred outflows of resources, ($325,046).		728,975
The changes in total OPEB liability and deferred outflows/inflows from TMRS are not reported in the governmental funds. This is the net effect of the increase in the total SDBF OPEB liability, ($180,403), increase in deferred inflows of resources, ($17,876), and increase in deferred outflows of resources, $103,472.		(94,807)
The changes in net OPEB liability and deferred outflows/inflows for healthcare are not reported in the governmental funds. This is the net effect of the decrease in the total healthcare OPEB liability (now a net OPEB asset), $579,129, increase in deferred inflows of resources, ($367,997), and increase in deferred outflows of resources, $56,122.		267,254
Current year changes in the long-term liability for compensated absences do not require the use of current financial resources; and therefore, are not reported as expenditures in governmental funds.		45,650
Current year changes in accrued interest payable do not require the use of current financial resources; and therefore, are not reported as expenditures in governmental funds.		52,919
Internal service funds are used by management to charge the costs of certain activities, such as fleet management, to individual funds. The net income of the internal service fund is allocated entirely to governmental activities.		1,017,226
Governmental funds do not recognize assets contributed by developers. However, in the statement of activities, the fair value of those assets is recognized as revenue, then allocated over their estimated useful lives and reported as depreciation expense.		5,649,305
Loss on disposal of capital assets results in a decrease in net position, but the net effect is not reported in governmental funds.		(10,653)
Certain revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.		85,047
Change in net position of governmental activities		$ 29,410,507

The Notes to Financial Statements are an integral part of this statement.

PROPRIETARY FUNDS
FINANCIAL STATEMENTS

CITY OF SOUTHLAKE, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2021

EXHIBIT 7

	BUSINESS-TYPE ACTIVITIES WATER AND SEWER ENTERPRISE FUND	GOVERNMENTAL ACTIVITIES VEHICLE AND EQUIPMENT REPLACEMENT INTERNAL SERVICE FUND
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 31,980,485	$ 7,934,522
Receivables, net of allowance for uncollectibles:		
Trade accounts	2,723,980	-
Unbilled trade accounts	2,714,384	-
Interest	74,420	11,047
Restricted assets:		
Cash restricted for capital	21,173,563	-
Restricted cash for customer deposits	285,159	-
Total current assets	58,951,991	7,945,569
NON-CURRENT ASSETS		
Capital assets:		
Land and improvements	21,009,675	-
Buildings and improvements	935,501	-
Distribution system	153,042,758	-
Equipment	2,553,907	638,431
Vehicles	553,001	11,389,598
Capacity rights	9,190,988	-
Construction in progress	579,184	-
Total capital assets	187,865,014	12,028,029
Less: accumulated depreciation	(86,985,332)	(6,178,069)
Capital assets, net of accumulated depreciation	100,879,682	5,849,960
Total non-current assets	100,879,682	5,849,960
TOTAL ASSETS	$ 159,831,673	$ 13,795,529
DEFERRED OUTFLOW OF RESOURCES		
Deferred charge for refunding	$ 376,378	$ -
Deferred outflows - TMRS pension	243,692	-
Deferred outflows - TMRS OPEB	19,228	-
Total deferred outflows of resources	639,298	-
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable	2,150,081	-
Accrued liabilities	201,378	-
Accrued interest	127,757	-
Current portion of general obligation debt	2,352,695	-
Current portion of compensated absences	87,370	-
Payable from restricted assets:		
Customer meter deposits	285,159	-
Total current liabilities	5,204,440	-
NON-CURRENT LIABILITIES		
Unearned revenue	200,774	-
General obligation debt	28,781,134	-
Net pension liability	757,402	-
Total OPEB liability	77,178	-
Total non-current liabilities	29,816,488	-
TOTAL LIABILITIES	35,020,928	-
DEFERRED INFLOW OF RESOURCES		
Deferred gain for refunding	384,605	-
Deferred inflows - TMRS pension	192,926	-
Deferred inflows - TMRS OPEB	5,858	-
Total deferred inflows of resources	583,389	-
NET POSITION		
Net investment in capital assets	77,068,608	5,849,960
Unrestricted	47,798,046	7,945,569
TOTAL NET POSITION	$ 124,866,654	$ 13,795,529

The Notes to Financial Statements are an integral part of this statement.

CITY OF SOUTHLAKE, TEXAS **EXHIBIT 8**
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	BUSINESS-TYPE ACTIVITIES WATER AND SEWER ENTERPRISE FUND	GOVERNMENTAL ACTIVITIES VEHICLE AND EQUIPMENT REPLACEMENT INTERNAL SERVICE FUND
OPERATING REVENUES		
Charges for sales and services:		
Water, sewer and garbage	$ 31,936,803	$ -
Service charges	134,337	-
Total operating revenues	32,071,140	-
OPERATING EXPENSES:		
Personnel services	2,500,306	-
Contractual services	2,254,230	-
Lease payments	9,133	15,984
Supplies	415,435	-
Utilities	8,560,612	-
Administrative	1,288	-
Maintenance	6,068,136	-
Professional benefits	20,722	-
Depreciation and amortization	5,030,179	972,353
Total operating expenses	24,860,041	988,337
OPERATING INCOME (LOSS)	7,211,099	(988,337)
NON-OPERATING REVENUES (EXPENSES)		
Interest income	32,272	5,563
Interest expense and bond administration expense	(870,700)	-
Total non-operating revenues (expenses)	(838,428)	5,563
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	6,372,671	(982,774)
CAPITAL CONTRIBUTIONS AND TRANSFERS		
Capital contributions - property owners	2,948,469	-
Contributions - impact fees	383,983	-
Transfers from other funds	-	2,000,000
Transfers to other funds	(1,284,122)	-
Total capital contributions and transfers	2,048,330	2,000,000
CHANGE IN NET POSITION	8,421,001	1,017,226
NET POSITION, BEGINNING OF YEAR	116,445,653	12,778,303
NET POSITION, END OF YEAR	$ 124,866,654	$ 13,795,529

The Notes to Financial Statements are an integral part of this statement.

CITY OF SOUTHLAKE, TEXAS **EXHIBIT 9**
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	BUSINESS-TYPE ACTIVITIES WATER AND SEWER ENTERPRISE FUND	GOVERNMENTAL ACTIVITIES VEHICLE AND EQUIPMENT REPLACEMENT INTERNAL SERVICE FUND
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers and users	$ 32,120,906	$ -
Cash payments to suppliers	(17,582,513)	(15,984)
Cash payments to employees	(2,530,458)	-
Net cash provided by (used in) operating activities	12,007,935	(15,984)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Paid for capital purchases	(1,565,285)	(307,015)
Principal payments on bonds	(2,673,799)	-
Bond administration cost	(42,835)	-
Proceeds from issuance of bonds	2,035,000	-
Payment to refund bond escrow agent	(2,000,013)	-
Interest paid	(1,090,491)	-
Contributions - impact fees	383,983	-
Net cash used in capital and related financing activities	(4,953,440)	(307,015)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfers from other funds	-	2,000,000
Transfers to other funds	(1,284,122)	-
Net cash provided by (used in) non-capital financing activities	(1,284,122)	2,000,000
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	43,249	5,725
Net cash provided by investing activities	43,249	5,725
NET CHANGE IN CASH AND CASH EQUIVALENTS	5,813,622	1,682,726
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	47,625,585	6,251,796
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 53,439,207	$ 7,934,522
RECONCILIATION TO STATEMENT OF NET POSITION		
Cash and cash equivalents	$ 31,980,485	$ 7,934,522
Cash restricted for capital	21,173,563	-
Restricted cash for customer deposits	285,159	-
Total cash and cash equivalents	$ 53,439,207	$ 7,934,522
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Operating income (loss)	$ 7,211,099	$ (988,337)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Pension and OPEB expense	(50,242)	-
Depreciation	5,030,179	972,353
Bad debt expense	(11,645)	-
Decrease (increase) in assets and deferred outflows of resources		
Receivables	35,332	-
Deferred outflows of resources - pensions and OPEB	15,801	-
Unearned revenue	(8,857)	
Increase (decrease) in liabilities and deferred outflows of resources		
Payables and accruals	(150,870)	-
Customer deposits	(52,075)	-
Deferred inflows of resources - pensions and OPEB	(10,787)	-
Net cash provided by (used in) operating activities	$ 12,007,935	$ (15,984)
NON-CASH CAPITAL AND RELATED FINANCING:		
Contributions of capital assets from developers	$ 2,948,469	$ -

The Notes to Financial Statements are an integral part of this statement.

FIDUCIARY FUND
FINANCIAL STATEMENTS

CITY OF SOUTHLAKE, TEXAS **EXHIBIT 10**
OPEB LIABILITY TRUST FUND
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2020

	Trust Fund* Southlake OPEB Liability
ASSETS	
Investments	$ 2,201,023
TOTAL ASSETS	$ 2,201,023
NET POSITION	
Restricted for post employment benefits other than pensions	2,201,023
TOTAL NET POSITION	$ 2,201,023

*The Southlake Other Post Employment Benefit (OPEB) Liability Trust fund is reported as of December 31, 2020.

The Notes to Financial Statements are an integral part of this statement.

CITY OF SOUTHLAKE, TEXAS **EXHIBIT 11**
OPEB LIABILITY TRUST FUND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2020

	Trust Fund Southlake OPEB Liability
ADDITIONS	
Employer contributions	$ 321,362
Investment earnings, net of unrealized/realized gain/(loss)	201,804
TOTAL ADDITIONS	523,166
DEDUCTIONS	
Benefit payments	81,362
Administrative expenses	6,098
TOTAL DEDUCTIONS	87,460
CHANGE IN NET POSITION	435,706
NET POSITION - BEGINNNING OF YEAR	1,765,317
NET POSITION - END OF YEAR	$ 2,201,023

The Notes to Financial Statements are an integral part of this statement.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Statement

The City of Southlake (the City) operates under a Home Rule Council – Manager form of government. All powers of the City are vested in an elected council, which enables local legislation, adopts budgets, determines policies and appoints the City Manager. The City Manager is responsible for executing the laws and administering the government of the City.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB). The more significant accounting policies of the City are described below.

Financial Reporting Entity

The City is governed by an elected mayor and a six-member council and has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the City is a financial reporting entity as defined by the Governmental Accounting Standards Board (GASB) in its Statement No. 14, "The Financial Reporting Entity", as amended by GASB Statement No. 39 "Determining Whether Certain Organizations Are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34."

Under GASB 14 component units are organizations for which the City is financially accountable and all other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Financial accountability exists if the City appoints a voting majority of an organization's governing board and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City. The City may be financially accountable for governmental organizations with a separately elected governing board, a governing board appointed by another government, or a jointly appointed board that is fiscally dependent on the City. The financial statements of the component units may be discretely presented in a separate column from the primary government or blended with the financial statements of the primary government. GASB 39 added clarification to GASB 14 by including entities which meet all three of the following requirements:

1. The economic resources received or held by the separate organization are entirely for the direct benefit of the primary government, its component units, or its constituents.

2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.

3. The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Financial Reporting Entity – Continued

Based on these criteria, the financial information of the following entities has been blended within the reporting entity. Individual financial statements are not available for these component units.

Southlake Parks Development Corporation (the Corporation) - The Corporation is a nonprofit industrial development corporation formed in January 1994 under the Development Corporation Act of 1979. The Corporation is organized exclusively to act on behalf of the City for the financing, development and operation of parks and recreation facilities. The affairs of the Corporation are managed by a seven member board of directors, of which four are members of the City Council. The annual corporate budget and issuance of debt must be approved by the City Council. Since the Board of the Corporation is substantively the same as the City Council, the Corporation has been reported as a blended component unit.

Southlake Community Enhancement and Development Corporation (CEDC) – The CEDC was formed under the Development Corporation Act of 1979, as amended, Title 12, Subtitle C1 of the Texas Local Government Code. The CEDC is organized to promote economic development within the City, including developing, implementing, providing and financing projects including a community entertainment and recreation center for the City. The District is governed by a seven member board appointed by the City Council. The annual budget and issuance of debt must be approved by the City Council. Since the CEDC provides services entirely to the City, it has been reported as a blended component unit.

Southlake Tax Increment Financing Districts (the TIF) – The TIF was formed to finance and make public improvements, under the authority of the Tax Increment Financing Act. The TIF is governed by a nine member board of directors consisting of the eight members appointed by the City Council, and one member appointed by Carroll Independent School District. Since the Board of the TIF is substantively the same as the City Council; the City has operational responsibility for the TIF and the City receives financial benefit from the TIF, the TIF has been reported as a blended component unit.

Southlake Crime Control and Prevention District (the District) – The District was formed under Chapter 363 of the Texas Local Government Code, the Crime Control and Prevention Act. The District is organized exclusively to act on behalf of the City for the financing, development and crime control throughout the City. The District is governed by a seven member board appointed by the City Council. The annual budget and issuance of debt must be approved by the City Council. Since the District provides services entirely to the City, it has been reported as a blended component unit.

Basis of Presentation

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the activities of the City, except for fiduciary funds. The effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Basis of Presentation – Continued

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program.

Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

The City segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental funds and proprietary funds. These statements present each major fund as a separate column in the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balances of current financial resources.

Governmental Funds

The City reports the following major governmental funds:

General Fund-

The General Fund is the general operating fund of the City. It is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

General Obligation Debt Service Fund-

The General Obligation Debt Service Fund is used to account for the accumulation of financial resources for the payment of principal, interest and related costs on long-term debt paid primarily from taxes levied by the City. The fund balance of the General Obligation Debt Service Fund is restricted exclusively for debt service expenditures.

General Capital Projects Fund-

The General Capital Projects Fund is used to account for resources used for the acquisition and/or construction of capital facilities by the City, except those financed by proprietary funds and not accounted for by another capital projects fund.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Basis of Presentation – Continued

Southlake Parks Development Corporation-

The Southlake Parks Development Corporation ("SPDC") Fund was established to account for the general operations of the non-profit corporation established to finance, develop and operate park and recreational facilities. The SPDC is funded primarily through the municipal sales taxes.

Tax Increment Financing District-

The Tax Increment Financing (TIF) District Fund was established to account for the general operations of the TIF, which was formed to finance and make public improvements. The TIF is funded primarily through the assessment of ad valorem taxes.

Community Enhancement and Development Corporation –

The Community Enhancement and Development Corporation ("CEDC") Fund was established to account for the general operations of the non-profit corporation established to finance, develop and operate a community entertainment and recreation center. The CEDC is funded primarily through municipal sales taxes and user fees.

In addition, the City reports the following non-major governmental funds:

Special Revenue Funds – The City's Special Revenue Funds are used to account for revenue sources that are committed or restricted to expenditures for specified purposes, as follows:

Police Fund-

The Police Fund was established to account for the resources required to be utilized by the police department.

Parks and Recreation Fund-

The Parks and Recreation Fund was established to account for resources restricted to the community services department.

Parks Dedication Fund-

The Parks Dedication Fund was established to account for resources restricted to park improvements. The primary source of revenue for the Parks Dedication Fund is funded through park dedication fees on development.

Crime Control District-

The Crime Control District Special Revenue Fund was established to account for the operations of the Crime Control District, which was established for the financing and development of crime control within the City. The Crime Control Fund is funded primarily through municipal sales taxes.

Hotel Occupancy-

The Hotel Occupancy Tax Fund accounts for all revenues and expenditures relating to the hotel occupancy tax received by the City.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Basis of Presentation – Continued

Storm Water Utility-

The Storm Water Utility Fund is used to account for fees collected for the purpose of improving, upgrading and maintaining the City's drainage system.

Court Security Fund-

The Court Security Fund is used to account for Municipal Court fees assessed to provide for court security.

Court Technology Fund-

The Court Technology Fund is used to account for Municipal Court fees assessed to provide for court technology.

Library Fund-

The Library Fund was established to account for resources donated for City library services.

Red Light Camera Fund-

The Red Light Camera Fund is used to account for fees assessed for red light violations captured through the City's camera monitoring system.

Oil and Gas Fund-

The Oil and Gas Fund is used to account for permit fees and the related expenditures for oil and gas drilling.

Commercial Vehicle Enforcement Fund-

The Commercial Vehicle Enforcement Fund is used to account for the fees assessed for commercial vehicle violations.

Truancy Prevention

The Truancy Prevention Fund is used to account for municipal court fees assessed to provide for juvenile case manager services.

Disaster Recovery

The Disaster Recovery Fund is used to account for grant awards to provide disaster relief.

Debt Service Funds – The City's Debt Service Funds are utilized to account for the accumulation of financial resources for, and the payment of, long-term debt principal, interest, and related costs arising from the issuance of bonds.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Basis of Presentation – Continued

Southlake Parks Development Corporation Debt Service Fund-

The Southlake Parks Development Corporation Debt Service Fund is utilized to account for the accumulation of financial resources, primarily transfers from other funds, for the payment of long-term principal and interest costs associated with the financing of improvements of the Southlake Parks Development Corporation.

Community Enhancement and Development Corporation Debt Service Fund-

The Community Enhancement and Development Corporation Debt Service Fund is utilized to account for the accumulation of financial resources, primarily transfers from other funds, for the payment of long-term principal and interest costs associated with the financing of the community entertainment and recreation center.

Capital Projects Funds – The City's Capital Projects Funds are utilized to account for financial resources to be used for the acquisition or construction of specified capital improvements (other than those financed by proprietary funds). Such resources are derived from proceeds of general obligation debt, other sources designated for improvements and interest earned on such proceeds. The City's non-major Capital Projects Funds are as follows:

Southlake Parks Development Corporation Capital Projects Fund-

The Southlake Parks Development Corporation (SPDC) Capital Projects Fund is utilized to fund the acquisition and construction of park recreational facilities as approved by the SPDC board of directors. The fund has been funded primarily through the issuance of general obligation debt.

Community Enhancement and Development Corporation Capital Projects Fund-

The Community Enhancement and Development Corporation (CEDC) Capital Projects Fund is utilized to fund the acquisition and construction of a community entertainment and recreation center as approved by the CEDC board of directors. The fund has been financed through the issuance of sales tax revenue bonds.

Crime Control District Capital Projects Fund-

The Crime Control District Capital Projects Fund is utilized to account for the acquisition and construction of capital assets as approved by the District's board of directors. The fund has been funded primarily through the issuance of general obligation debt.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Basis of Presentation – Continued

Proprietary Funds-

Proprietary Funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position and cash flow. All assets and liabilities are included in the Statement of Net Position.

The City reports the following major proprietary fund:

Water and Sewer Enterprise Fund-

The Water and Sewer Enterprise Fund is used to account for the acquisition, operation and maintenance of a municipal water and sewer utility, supported primarily by user charges to the public.

Additionally, the City reports an Internal Service Fund which is used to account for vehicle and equipment replacement provided to departments of the City.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personnel and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Fiduciary Funds

The City also presents one trust fund, Southlake OPEB Liability Trust Fund. The City's OPEB Liability Trust Fund accounts for the funding of post-employment healthcare benefits for retirees of the City and their dependents which is presented as of December 31, 2020.

Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements and fund financial statements for proprietary and fiduciary funds are reported using the accrual basis of accounting. The government-wide, proprietary fund, and fiduciary trust fund financial statements are prepared using the economic resources measurement focus. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included in the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services which are accrued. Expenses are recognized at the time the liability is incurred.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus and Basis of Accounting – Continued

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available.

"Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers all revenues as available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes, sales taxes, franchise taxes and interest are susceptible to accrual. Other receipts become measurable and available when cash is received by the City and are recognized as revenue at that time.

Cash, Cash Equivalents and Investments

In accordance with GASB Statement No. 31, the City's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments, which have a remaining term of one year or less at the time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes.

The City's cash and cash equivalents are defined as cash on hand, cash and pooled investment demand deposits held with financial institutions, and short-term investments with original maturities of three months or less from the date of acquisition. Cash and cash equivalents also includes long-term investments with maturity of greater than one year. The classification of the City's cash and cash equivalents is reported in Note 2.

The City pools idle cash from all funds for the purpose of increasing income through coordinated investment activities. As of September 30, 2021, the investments held by the City had a remaining maturity of greater than one year from purchase and accordingly are carried at fair value. Interest earnings are allocated to the respective funds based upon each fund's relative balance in the pool.

Cash and cash equivalents reported as restricted are restricted for debt service, acquisition and construction of capital assets, and for utility deposits held by the City.

Property Taxes

The City's property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and certain personal property located within the City. Appraised values are established by the Central Appraisal Districts at 100% of estimated market value and certified by the Appraisal Review Board. The assessed value upon which the 2021 levy was based on was $10,714,248,031. Taxes are due on October 1 and are delinquent after the following January 31.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Property Taxes – Continued

The City is permitted by Article XI, Section 5 of the State of Texas Constitution to levy taxes up to $2.50 per $100 of assessed valuation for general governmental services, including the payment of principal and interest on general obligation long-term debt. The combined tax rate to finance general governmental services including the payment of principal and interest on long-term debt for the year ended September 30, 2021 was 0.405 per $100 of assessed valuation.

In Texas, countywide central appraisal districts are required to assess all property within the appraisal district on the basis of 100% of its appraised value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every five years; however, the City may, at its own expense, require annual reviews of appraised values.

Interfund Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds.”

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

Transactions between Funds

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the fund reimbursed. All other interfund transactions, except interfund services provided and used and reimbursements, are recorded as transfers. Interfund services provided and used are not eliminated in the process of consolidation.

Restricted Resources

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted first, then unrestricted resources as required.

Inventories

Inventories are stated at cost (first-in, first-out) and are determined annually by taking a physical inventory. Inventory in the general fund consists of gasoline held for consumption and is reported on the consumption method. Under the consumption method the cost is recorded as an expenditure at the time individual inventory items are utilized.

Prepaid Items

Certain payments reflect costs applicable to future periods and are recorded as prepaid items in the government-wide and fund financial statements. These items consist principally of postage and deposits for purchases and are reported on the consumption method.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at acquisition value on the date donated.

The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend the asset lives are not capitalized. Renewals and betterments are capitalized.

Assets capitalized have an original cost of $5,000 or more and over one year of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings	20 - 50 Years
Water and Sewer distribution system	35 - 50 Years
Water hydrants	10-15 Years
Water tanks	35 Years
Computer equipment	5 Years
Heavy equipment and vehicles	10 - 20 Years
Light vehicles	2 - 10 Years
Vehicles	5 Years
Improvements	25 Years
Infrastructure	10 Years

The street network is not depreciated. The City has elected to use the modified approach in accounting for its street infrastructure. The modified approach allows governments to report as expenses in lieu of depreciation, infrastructure expenditures which maintain the asset but do not add to or improve the asset. Additions and improvements to the street network are capitalized. The City uses an asset management system to rate street condition and quantify the results of maintenance efforts.

The City has established the Vehicle and Equipment Replacement Internal Service Fund to account for City-owned vehicles and equipment. The fund receives transfers from other funds.

Vacation and Sick Leave (Compensated Absences)

City employees earn vacation and sick leave, which may either be taken or accumulated, up to certain amounts, until paid upon retirement or termination. Sick leave is not paid upon termination. Upon termination or retirement, an employee is reimbursed up to a maximum number of hours of vacation pay based upon the years of service. All vacation is accrued in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts, as well as any deferred losses and gains on the refunding of bonds, are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are recorded as expenses when incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums and discounts received on debt issuances are reported as other financing sources or uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pensions and Other Post-Employment Benefits (OPEB)

For purposes of measuring the net pension and net OPEB liabilities (assets), pension and OPEB related deferred outflows and inflows of resources and pension and OPEB expense, City specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from the City's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Information regarding the City's Total Pension Liability and Total OPEB Liability is obtained from TMRS through reports prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions, and GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

Deferred Outflows of Resources on the Statement of Net Position

In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category:

Deferred Loss on Refunding – these deferred outflows result from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Pensions/OPEB – these deferred outflows result from pension/OPEB contributions after the measurement date (deferred and recognized as a reduction of the pension/OPEB liability in the following fiscal year); changes in actuarial assumptions and/or differences between expected and actual economic experience (deferred and amortized over the estimated average remaining lives of participants) and/or differences in projected and actual earnings on pension/OPEB assets (deferred and amortized over a closed five year period).

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Deferred Inflows of Resources on Statement of Net Position

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources.

Deferred Gain on Refunding – these deferred inflows result from the difference in the debt's reacquisition price and its carrying value that was refunded. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Pensions/OPEB – Differences in expected and actual experience and differences in assumption changes are deferred and amortized over a closed period equal to the estimated average remaining lives of all employees provided pensions through the plan, while investment experience differences are amortized over a closed 5-year period.

Deferred Inflows of Resources Reported on Governmental Fund Balance Sheet

In addition to liabilities, the governmental funds balance sheet reports deferred inflows from receivables that were not collected within 60 days of year-end. The deferred inflow from receivables balances and changes are reported as a reconciling amount to the statements of net position and activities.

Fund Equity

The City has adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*. The objective of the statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing government fund type definitions. The statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, under GASB 54 are Nonspendable, Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of constraint, such as external versus internal compliance requirements. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

In accordance with GASB Statement No. 54, the City classifies governmental fund balances as follows:

1. Nonspendable fund balance – includes amounts that are not in a spendable form or are required to be maintained intact (example – inventory or permanent funds).
2. Restricted fund balance – includes amounts that can be spent only for the specific purposes stipulated by external resource providers either constitutionally or through enabling legislation (example – court technology and court security funds).
3. Committed fund balance – includes amounts that can only be used for specific purposes determined by City Council (example – capital projects and police expenditures).
4. Assigned fund balance – comprises amounts intended to be used by the City for specific purposes. Intent can be expressed by the City Council or their designee (Chief Financial Officer). In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund (example – Facility Maintenance and economic investments).
5. Unassigned fund balance – is the residual classification of the general fund and includes all amounts not contained in other classifications.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fund Equity – Continued

In accordance with GASB 54, the City has also adopted the following policies:

Committed Fund Balance - The City Council is the City's highest level of decision-making authority and approval by resolution is required to establish, modify, or rescind a fund balance commitment. The resolution must either be approved or rescinded, as applicable, prior to the last day of the fiscal year. The amount subject to the constraint may be determined in the subsequent period.

Assigned Fund Balance - The City Council has authorized the City's Chief Financial Officer as the official authorized to assign fund balance to a specific purpose as approved by this fund balance policy.

Unassigned Fund Balance - It is the goal of the City to maintain a fund balance in the General Fund, equal to a minimum of 15% of General Fund budgeted operating expenditures, with the optimum goal of 25%. The City considers a balance of less than 15% to be cause for concern, barring unusual or deliberate circumstances.

It is the goal of the City to maintain 60 days of working capital in the Enterprise Fund, with the optimum goal of 90 days of working capital.

The City shall also maintain all Reserve funds for all statutorily required reserve funds to guarantee debt service.

Order of Expenditure of Funds - When multiple categories of fund balance are available for expenditures, the City will start with the most restricted category and spend those funds first before moving to the next category with available funds (restricted, committed, assigned and unassigned).

During fiscal year 2006, the City began assigning funds for strategic initiatives. The source of these funds is reserves in excess of 25% of general fund expenditures. The funds will be used for one-time high impact projects involving infrastructure maintenance, community enhancement and capital acquisition; and are reported as assigned fund balance in the general fund.

Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Deficit Fund Balance

There are no deficit fund balances reported as of September 30, 2021.

Subsequent Events

The City has evaluated all events or transactions that occurred after September 30, 2021 through March 11, 2022, the date the financial statements were available to be issued. During this period, there were no subsequent events requiring disclosure.

NOTE 2. CASH AND INVESTMENTS

The funds of the City must be deposited and invested under the terms of a contract, contents of which are set out in the Depository Contract Law. The depository bank places approved pledged securities for safekeeping and trust with the City's agent bank in an amount sufficient to protect City funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

At September 30, 2021 the carrying amount of the City's on demand deposits was $18,877,845 and the bank balance was $19,116,845. As of September 30, 2021, none of the City's deposits were uncollateralized.

Legal and contractual provisions governing deposits and investments:

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies.

Among other things, it requires the City to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit.

Statutes and the City's investment policy authorized the City to invest in the following investments as summarized in the table below:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
U.S. Government Securities	5 years	100%	None
Commercial Paper	270 days	20%	None
Eligible Investment Pools	365 days	100%	None

The Act also requires the City to have independent auditors perform test procedures related to investment practices as provided by the Act. The City is in substantial compliance with the requirements of the Act and with local policies.

NOTE 2. CASH AND INVESTMENTS – CONTINUED

Cash and investments as of September 30, 2021 are classified in the accompanying financial statements as follows:

Primary Government:		
Cash and cash equivalents	$	177,066,949
Restricted cash and cash equivalents		24,276,617
Restricted cash for customer deposits		285,159
Total primary government		201,628,725
Trust Fund:		
Investments at fair value		2,201,023
Total fiduciary funds		2,201,023
Total cash and investments	$	203,829,748

Cash and investments of the primary government as of September 30, 2021 consist of the following:

Cash on hand	$	5,450
Deposits with financial institutions		18,877,845
Investments at amortized cost		93,162,951
Investments at fair value		89,582,479
Total cash and investments	$	201,628,725

Disclosures relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by investing mainly in investment pools which purchase a combination of shorter term investments with an average maturity of less than 60 days, thus reducing the interest rate risk. The City monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. The City has no specific limitations with respect to this metric.

As of September 30, 2021 the City did not invest in any securities which are highly sensitive to interest rate fluctuations.

NOTE 2. CASH AND INVESTMENTS – CONTINUED

Disclosures relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the Public Funds Investment Act, the City's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Investment Type	Amount	Minimum Legal Rating	Rating as of Year End
Government securities	$ 43,162,078	N/A	Not rated
Municipal bonds	9,393,412	N/A	Not rated
Commercial paper	28,981,431	N/A	Not rated
Mutual funds	8,045,558	N/A	AAAm
TexStar	39,245,709	N/A	AAAm
TexPool	23,777,001	N/A	AAAm
Lonestar Investment Pool	24,822,909	N/A	AAAm
Texas Class	5,317,332	N/A	AAAm
Total	$ 182,745,430		

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer. As of September 30, 2021, the City investments other than external investment pools that represent 5% or more of the City's investments include mutual bonds, commercial paper and U.S. Government securities as described in the table below.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Public Funds Investment Act and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The Public Funds Investment Act requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit).

The market value of the pledged securities in the collateral pool must equal at least the bank balance less the FDIC insurance at all times.

As of September 30, 2021, none of the City's cash deposits were uncollateralized.

NOTE 2. CASH AND INVESTMENTS – CONTINUED

Custodial Credit Risk – Continued

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, Fair Value Measurement and Application, provides a framework for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs—other than quoted prices included within Level 1—that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

The City has recurring fair value measurements as presented in the table below. The City's investment balances and weighted average maturity of such investments are as follows:

		Fair Value Measurements				
	Value at 9/30/21	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Percent of Total Investments	Weighted Average Maturity (Days)
Investments not subject to Fair Value						
Investment Pools						
TexPool	$ 23,777,001	$ -	$ -	$ -	13%	37
TexStar	39,245,709	-	-	-	21%	31
Lone Star	24,822,909	-	-	-	14%	46
Texas CLASS	5,317,332	-	-	-	3%	56
Investments by Fair Value Level						
Kaiser Foundation Hospital	4,996,229	-	4,996,229	-	3%	5
Columbia University	4,998,689		4,998,689		3%	20
Cornell University	4,998,542		4,998,542		3%	49
Vanderbilt University	5,993,575	-	5,993,575	-	3%	132
Toyota Motor Credit	4,994,396	-	4,994,396	-	3%	204
Dallas Fort Worth Int'l	3,000,000	-	3,000,000	-	2%	46
U.S. Treasury	33,170,955	-	33,170,955	-	18%	330
Mutual Funds Short-Term Investments Trust	8,045,558	8,045,558	-	-	4%	39
Federal Farm Credit Banks	9,991,123	-	9,991,123	-	5%	500
Texas State Public Fin Authority Tax	2,000,600	-	2,000,600	-	1%	124
Texas A&M University	7,392,812	-	7,392,812	-	4%	775
Total	$ 182,745,430	$ 8,045,558	$ 81,536,921	$ -	100%	160

Mutual funds reported as level 1 are valued at the net asset value (NAV) of shares held by the City at year end. The NAV is a quoted price in an active market.

U.S. Government Securities, commercial paper and municipal bonds classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

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NOTE 2. CASH AND INVESTMENTS – CONTINUED

Investment in State Investment Pools

The City is a voluntary participant in four investment pools: TexPool, TexStar, Texas CLASS and Lone Star.

The State Comptroller of Public Accounts exercises responsibility over TexPool. This oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. TexPool operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexPool uses amortized costs rather than market value to report net position to compute share prices. Accordingly, the fair value of the position in TexPool is the same as the value of TexPool shares.

TexStar is administered by First Southwest Asset Management, Inc. and JPMorgan Chase. TexStar is a local government investment pool created under the Interlocal Cooperation Act specifically tailored to meet Texas state and local government investment objectives of preservation of principal, daily liquidity, and competitive yield. TexStar uses amortized costs rather than market value to report net position to compute share prices. Accordingly, the fair value of the position in TexStar is the same as the value of TexStar shares.

Texas CLASS is organized under the Sixth Amended and Restated Trust Agreement in accordance with all the requirements contained in section 2256.016 of the Public Funds Investment Act. Texas CLASS is administered by Public Trust Advisors, LLC and all funds are held by the custodial agent, Wells Fargo N.A. Texas CLASS may invest in obligations of the U.S. or its agencies and instrumentalities; repurchase agreements; SEC-registered money market funds rated in the highest rating category by at least one NRSRO; and commercial paper rated A-1, P-1 or equivalent by two nationally recognized rating agencies. Texas CLASS is measured at fair value (i.e., net asset value).

The Lone Star Investment Pool (the Pool) is organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The Pool is governed by an 11 member Board of Trustees, consisting of individuals representing entities participating in the Pool. The fair value of the City's position in the Pool is the same as the value of the Pool shares.

NOTE 3. RECEIVABLES

Receivables at September 30, 2021, for the government's individual major, non-major, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, consist of the following:

	General	General Obligation Debt Service	General Capital Projects	SPDC Special Rev. Fund	Tax Increment Financing District
Receivables:					
Property taxes	$ 574,089	$ 130,475	$ -	$ -	$ -
Sales taxes	3,191,101	-	-	1,586,953	-
Franchise taxes	810,888	-	-	-	-
Accounts	-	-	48,290	25,637	-
Interest	61,687	4,322	44,379	14,778	7,933
Other	124,247	-	-	-	183,183
Gross receivables	4,762,012	134,797	92,669	1,627,368	191,116
Less: allowance	500,727	113,802	-	-	-
Net total receivables	$ 4,261,285	$ 20,995	$ 92,669	$ 1,627,368	$ 191,116

	CEDC Special Revenue	Non-Major Governmental	Water and Sewer	Internal Service	Primary Government Total
Receivables:					
Property taxes	$ -	$ -	$ -	$ -	$ 704,564
Sales taxes	1,175,521	485,304	-	-	6,438,879
Franchise taxes	-	-	-	-	810,888
Accounts	-	209,275	5,622,876	-	5,906,078
Interest	16,554	40,072	74,420	11,047	275,192
Other	133,784	-	-	-	441,214
Gross receivables	1,325,859	734,651	5,697,296	11,047	14,576,815
Less: allowance	-	-	184,512	-	799,041
Net total receivables	$ 1,325,859	$ 734,651	$ 5,512,784	$ 11,047	$ 13,777,774

The Water and Sewer Fund and the Storm Water Utility Fund accounts receivable include unbilled charges for services rendered through September 30, 2021 of $2,714,384.

NOTE 4. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2021, was as follows:

	Beginning Balance	Capital Acquisitions	Sales or Disposals	Adjustments/ Transfers	Ending Balance
Governmental Activities:					
Capital assets not being depreciated:					
Land	$ 94,604,775	$ 2,338,436	$ -	$ -	$ 96,943,211
Street infrastructure	215,617,868	1,418,055	-	(121,078)	216,914,845
Construction-in-progress	11,696,034	8,905,657	-	(2,858,820)	17,742,871
Total capital assets not being depreciated	321,918,677	12,662,148	-	(2,979,898)	331,600,927
Capital assets being depreciated:					
Land improvements	40,454,194	839,088	-	-	41,293,282
Buildings and building improvements	140,226,672	-	-	2,020,362	142,247,034
Public art	1,434,202	370,203	-	-	1,804,405
Equipment	18,542,990	843,603	(95,559)	-	19,291,034
Vehicles	15,610,005	1,901,059	(1,647,242)	-	15,863,822
Drainage	59,780,278	2,504,452	-	959,536	63,244,266
Total capital assets being depreciated	276,048,341	6,458,405	(1,742,801)	2,979,898	283,743,843
Accumulated depreciation:					
Land improvements	(22,010,689)	(2,197,647)	-	-	(24,208,336)
Buildings and building improvements	(26,643,737)	(3,271,948)	-	-	(29,915,685)
Public art	(949,342)	(114,846)	-	-	(1,064,188)
Equipment	(14,582,643)	(1,023,151)	84,906	-	(15,520,888)
Vehicles	(10,366,666)	(1,129,461)	1,647,242	-	(9,848,885)
Infrastructure	(27,872,239)	(1,654,433)	-	-	(29,526,672)
Total accumulated depreciation	(102,425,316)	(9,391,486)	1,732,148	-	(110,084,654)
Total capital assets being depreciated, net	173,623,025	(2,933,081)	(10,653)	2,979,898	173,659,189
Governmental activities capital assets, net	$ 495,541,702	$ 9,729,067	$ (10,653)	$ -	$ 505,260,116

	Beginning Balance	Capital Acquisitions	Sales or Disposals	Adjustments/ Transfers	Ending Balance
Business Type Activities:					
Capital assets not being depreciated:					
Land	$ 19,952,145	$ 1,057,530	$ -	$ -	$ 21,009,675
Construction-In-Progress	1,394,763	1,587,805	-	(2,403,384)	579,184
Total capital assets not being depreciated	21,346,908	2,645,335	-	(2,403,384)	21,588,859
Capital assets being depreciated:					
Buildings and building improvements	935,501	-	-	-	935,501
Equipment	2,553,907	-	-	-	2,553,907
Vehicles	553,001	-	-	-	553,001
Capacity rights	9,190,988	-	-	-	9,190,988
Distribution system	148,748,436	1,890,938	-	2,403,384	153,042,758
Total capital assets being depreciated	161,981,833	1,890,938	-	2,403,384	166,276,155
Accumulated depreciation:					
Buildings and building improvements	(736,904)	(30,318)	-	-	(767,222)
Equipment	(2,322,427)	(101,695)	-	-	(2,424,122)
Vehicles	(524,889)	(16,525)	-	-	(541,414)
Capacity rights	(4,623,135)	(183,820)	-	-	(4,806,955)
Distribution system	(73,747,798)	(4,697,821)	-	-	(78,445,619)
Total accumulated depreciation	(81,955,153)	(5,030,179)	-	-	(86,985,332)
Total capital assets being depreciated, net	80,026,680	(3,139,241)	-	2,403,384	79,290,823
Business type activities capital assets, net	$ 101,373,588	$ (493,906)	$ -	$ -	$ 100,879,682

NOTE 4. CAPITAL ASSETS – CONTINUED

Depreciation expense was charged as a direct expense to functions of the primary government as follows:

Governmental activities:	
General government	1,284,451
Public safety	1,914,755
Public works	1,955,866
Culture and recreation	4,236,414
Total depreciation expense-governmental activities	$ 9,391,486
Business-type activities:	
Water and Sewer	$ 5,030,179

NOTE 5. DEFERRED INFLOWS OF RESOURCES/UNEARNED REVENUE

Governmental funds report deferred inflows of resources in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned (unearned revenue). At the end of the current fiscal year, the various components of unearned revenue and deferred inflows of resources reported in the governmental funds were as follows:

	General Fund	Debt Service Fund	General Capital Projects	Non - Major Governmental	Total
Deferred inflows of resources:					
Property taxes	$ 59,444	$ 13,510	$ -	$ -	$ 72,954
Other	63,035	-	48,290	-	111,325
Total deferred inflows of resources	$ 122,479	$ 13,510	$ 48,290	$ -	$ 184,279
Unearned revenue:					
Franchise taxes	$ 636,628	$ -	$ -	$ -	$ 636,628
Unspent grant awards	4,011,159	-	-	-	4,011,159
Other	-	-	-	375,495	375,495
Total unearned revenue	$ 4,647,787	$ -	$ -	$ 375,495	$ 5,023,282

NOTE 6. LONG-TERM DEBT

The City issues general obligation bonds, combination tax and revenue certificates of obligation and tax notes to provide for the acquisition and construction of major capital facilities and infrastructure. Combination tax and revenue certificates of obligation are issued for both governmental and business-type activities. General obligation bonds, governmental revenue bonds and tax notes pledge the full faith and credit of the City. Combination tax and revenue certificates of obligation are payable from the net revenues of the water and sewer system and general debt service tax.

In prior years, the City has legally defeased certain outstanding general obligation and revenue debt by placing funds into irrevocable trusts pledged to pay all future debt service payments of the refunded debt. Accordingly, a liability for the defeased debt issues is not included in the City's financial statements. As of September 30, 2021, the City had no additional outstanding bonds that were legally defeased.

NOTE 6. LONG-TERM DEBT – CONTINUED

General obligation bonds, combination certificates of obligation, tax notes, and governmental revenue bonds are as follows as of September 30, 2021:

General Obligation Bonds and Certificates of Obligation	Final Maturity	Interest Rates	Governmental	Business-Type
$11,300,000 Series 2012, Tax and Waterworks and Sewer System (Limited Pledge) Certificates of Obligation	2032	3.0 - 4.25%	$ -	$ 1,720,000
$9,965,000 Series 2012, General Obligation Refunding Bonds	2026	3.0 - 4.25%	4,070,000	90,000
$14,250,000 Series 2013, Tax and Waterworks and Sewer System (Limited Pledge) Certificates of Obligation	2033	2.0 - 5.0%	-	1,685,000
$22,295,000 Series 2013, General Obligation Refunding Bonds	2026	2.0 - 5.0%	11,745,000	465,000
$21,330,000 Series 2014, General Obligation Refunding Bonds	2026	2.0 - 5.0%	295,000	555,000
$8,780,000 Series 2014, Tax and Waterworks and Sewer System (Limited Pledge) Certificates of Obligation	2034	2.0 - 3.5%	-	3,135,000
$3,295,000 Series 2015, Tax and Waterworks and Sewer System (Limited Pledge) Certificates of Obligation	2035	2.75 - 4.0%	-	2,545,000
$7,910,000 Series 2017, General Obligation Refunding Bonds	2028	3.0 - 4.0%	2,834,975	3,020,025
$5,400,000 Series 2017, Tax and Waterworks and Sewer System (Limited Pledge) Certificates of Obligation	2037	2.25 - 5.0%	-	4,675,000
$4,205,000 Series 2018, Tax and Waterworks and Sewer System (Limited Pledge) Certificates of Obligation	2038	3.0 - 4.0%	-	3,765,000
$17,290,000 Series 2019, General Obligation Refunding Bonds	2030	3.0 - 5.0%	4,165,000	5,440,000
$4,240,000 Series 2021, General Obligation Refunding Bonds	2031	1.21%	1,989,000	2,035,000
			$ 25,098,975	$ 29,130,025

NOTE 6. LONG-TERM DEBT – CONTINUED

Governmental Revenue Bonds	Final Maturity	Interest Rates	Governmental
$11,300,000 Series 2012, Tax and Waterworks and Sewer System (Limited Pledge) Certificates of Obligation	2032	3.0 - 4.25%	$ 3,650,000
$16,000,000 Series 2014, Southlake Parks Development Corporation, Sales Tax Revenue Refunding Bonds	2027	3%	7,415,000
$24,450,000 Series 2016, Southlake Community Enhancement and Development Corporation, Sales Tax Revenue Bonds	2036	3.00 - 5.00%	20,755,000
$9,945,000 Series 2017, Southlake Community Enhancement and Development Corporation, Sales Tax Revenue Bonds	2036	2.00 - 5.00%	8,420,000
			$ 40,240,000

Governmental Tax Notes	Final Maturity	Interest Rates	Governmental
$3,753,000 Series 2021, Tax Notes	2026	0.83%	$ 3,753,000

The following is a summary of long-term transactions for the year ended September 30, 2021:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due within One year
Governmental activities:					
General obligation bonds and certificates of obligation	$ 30,271,176	$ 1,989,000	$ (7,161,201)	$ 25,098,975	$ 4,210,306
Sales tax revenue bonds	45,350,000	-	(5,110,000)	40,240,000	3,145,000
Tax notes	-	3,753,000	-	3,753,000	1,067,000
Bond premiums (discounts)	5,542,778	-	(837,645)	4,705,133	-
Total bonds payable	81,163,954	5,742,000	(13,108,846)	73,797,108	8,422,306
Net OPEB liability - Health	326,828	-	(326,828)	-	* -
Total OPEB liability - SDBF	798,257	180,403	-	978,660	-
Net pension liability	8,616,920	-	(884,889)	7,732,031	-
Compensated absences	1,584,975	1,506,262	(1,551,912)	1,539,325	1,539,325
Total governmental activities	$ 92,490,934	$ 7,428,665	$ (15,872,475)	$ 84,047,124	$ 9,961,631

*Due to current year activity, the $798,257 beginning net OPEB liability became a $252,301 net OPEB asset at year-end.

Typically, liquidation of the liabilities for compensated absences, total OPEB, and net pension occurs within the governmental funds where payroll costs are incurred. Typically, liquidation of bonds payable occurs from the General Obligation Debt Service Fund, Southlake Parks Development Corporation Debt Service Fund, and Community Enhancement Development Corporation Debt Service Fund.

During 2021, the City issued $3,753,000 of Tax notes, Series 2021. Proceeds from the sale of the notes will be used to fund various capital projects.

NOTE 6. LONG-TERM DEBT – CONTINUED

During 2021, the City issued $4,024,000 of General Obligation Refunding Bonds, Series 2021. Proceeds from the sale of the bonds, net of issuance costs, were deposited with an escrow agent to refund $1,975,000 Tax and Waterworks and Sewer System (Limited Pledge) Certificates of Obligation, Series 2011B (all of which were recorded in business-type activities) and $1,930,000 Tax and Water Works and Sewer System (Limited Pledge) Certificates of Obligation, Series 2011C (all of which were recorded in governmental activities). The difference between the debt service of the new debt and old debt is $531,125, which resulted in an economic gain of $508,228.

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due within One year
Business-type activities:					
Revenue bonds and certificates of obligation	$ 31,743,824	$ 2,035,000	$ (4,648,799)	$ 29,130,025	$ 2,352,695
Bond premiums	2,287,727	-	(283,923)	2,003,804	-
Total bonds payable	34,031,551	2,035,000	(4,932,722)	31,133,829	2,352,695
Unearned revenue	209,631	-	(8,857)	200,774	-
Total OPEB liability - SDBF	64,312	12,866	-	77,178	-
Net pension liability	820,510	-	(63,108)	757,402	-
Compensated absences	89,422	85,605	(87,657)	87,370	87,370
Total business-type activities	$ 35,215,426	$ 2,133,471	$ (5,092,344)	$ 32,256,553	$ 2,440,065

The annual aggregate maturities for each bond type are as follows:

General Obligation Bonds and Certificates of Obligation

	Governmental Activities		
Fiscal Year Ending September 30,	Principal	Interest	Total
2022	$ 4,210,306	$ 835,271	$ 5,045,577
2023	4,371,832	665,310	5,037,142
2024	4,531,358	505,549	5,036,907
2025	4,018,305	350,829	4,369,134
2026	4,170,252	205,401	4,375,653
2027-2031	3,796,922	209,323	4,006,245
Total	$ 25,098,975	$ 2,771,683	$ 27,870,658

NOTE 6. LONG-TERM DEBT – CONTINUED

Sales Tax Revenue Bonds

Fiscal Year Ending September 30,	Governmental Activities Principal	Interest	Total
2022	$ 3,145,000	$ 1,275,437	$ 4,420,437
2023	3,250,000	1,155,888	4,405,888
2024	3,380,000	1,027,187	4,407,187
2025	3,335,000	895,662	4,230,662
2026	3,110,000	775,738	3,885,738
2027-2031	12,310,000	2,663,238	14,973,238
2032-2036	11,710,000	882,484	12,592,484
Total	$ 40,240,000	$ 8,675,634	$ 48,915,634

Tax Notes

Fiscal Year Ending September 30,	Governmental Activities Principal	Interest	Total
2022	$ 1,067,000	$ 33,471	$ 1,100,471
2023	663,000	19,542	682,542
2024	669,000	14,014	683,014
2025	674,000	8,441	682,441
2026	680,000	2,822	682,822
Total	$ 3,753,000	$ 78,290	$ 3,831,290

Revenue Bonds and Certificates of Obligation

Fiscal Year Ending September 30,	Business-Type Activities Principal	Interest	Total
2022	$ 2,352,695	$ 976,451	$ 3,329,146
2023	2,439,167	883,708	3,322,875
2024	2,488,642	788,662	3,277,304
2025	2,477,695	694,050	3,171,745
2026	2,565,747	598,818	3,164,565
2027-2031	10,776,079	1,711,667	12,487,746
2032-2036	5,100,000	502,216	5,602,216
2037-2038	930,000	25,789	955,789
Total	$ 29,130,025	$ 6,181,361	$ 35,311,386

The City has entered into various contractual agreements to unconditionally finance the principal and interest or a fixed percentage of principal and interest of Trinity River Authority (TRA) Contract Revenue Bonds. Under the agreements, the TRA utilized the bond proceeds to administer and construct various sewer and wastewater treatment projects on the City's behalf. Such agreements provide the City title to the assets upon retirement of the debt or capacity rights in the use of constructed assets. The City has included in its financial statements its proportionate share of these obligations and its investment in these assets as capacity rights. The contract revenue obligations were paid as of September 30, 2021.

NOTE 7. TRANSFERS

All interfund transfers between the various funds are approved supplements to the operations of those funds. Individual fund transfers for fiscal year 2021 were as follows:

Transfer In	Transfer Out	Amount	Purpose
General fund	Southlake Parks Development Corporation operations	$ 327,273	To fund indirect charges
General fund	Water and sewer enterprise fund	1,284,122	To fund indirect charges
General fund	Non major governmental funds	166,873	To fund indirect charges
General fund	CEDC Special Revenue	331,174	To fund indirect charges
General obligation debt service	Non major governmental funds	174,609	To pay debt service for bonds issued
General capital project funds	Non major governmental funds	1,250,000	To fund infrastructure projects
General capital project funds	General fund	225,000	To fund public art
General capital project funds	General fund	3,000,000	To fund infrastructure projects
Non major governmental funds	General fund	150,000	To fund commercial vehicle enforcement
Non major governmental funds	Southlake Parks Development Corporation operations	2,815,224	To pay debt service for bonds issued
Non major governmental funds	Southlake Parks Development Corporation operations	2,000,000	To fund capital projects for parks
Non major governmental funds	CEDC Special Revenue	2,436,806	To pay debt service for bonds issued
Vehicle and equipment fund	General fund	2,000,000	To replace aging vehicles
		$ 16,161,081	

NOTE 8. RETIREMENT PLAN

A. Plan Description

The City participates as one of 895 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS' defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available Annual Comprehensive Financial Report that can be obtained at www.tmrs.com.

All eligible employees of the City are required to participate in TMRS.

B. Benefits Provided

TMRS provides retirement, and disability. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

NOTE 8. RETIREMENT PLAN – CONTINUED

B. Benefits Provided – Continued

At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount at least equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are a percent (100%, 150%, or 200%) of the employee's accumulated contributions. In addition, the City can grant, as often as annually, another type of monetary credit referred to as an updated service credit which is a theoretical amount which, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and city matching percent had always been in existence and if the employee's salary had always been the average of his salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits with interest were used to purchase an annuity.

Members can retire at ages 60 and above with 5 or more years of service or with 20 years of service. A member is vested after 5 years. The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS and within the actuarial constraints also in the statutes.

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	141
Inactive employees entitled to but not yet receiving benefits	256
Active employees	352
	749

C. Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 12.84% and 12.70% in calendar years 2020 and 2021, respectively. The City's contributions to TMRS for the year ended September 30, 2021 were $3,297,682, and were greater than the required contributions by $52,695.

D. Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2020 and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

NOTE 8. RETIREMENT PLAN – CONTINUED

D. Net Pension Liability – Continued

Actuarial Assumptions:

The Total Pension Liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Salary Increases	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percentage of payroll; closed

There were no benefit changes during the year.

Salary increases were based on a service-related table. Mortality rates for post-retirement were based on the 2020 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Mortality rates for pre-retirement were based on PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Actuarial assumptions used in the December 31, 2020 valuation were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2019. They were first adopted in 2019 and first used in the December 31, 2019 actuarial valuation.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive).

NOTE 8. RETIREMENT PLAN – CONTINUED

D. Net Pension Liability – Continued

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	30.0%	5.30%
Core Fixed Income	10.0%	1.25%
Non-Core Fixed Income	20.0%	4.14%
Real Return	10.0%	3.85%
Real Estate	10.0%	4.00%
Absolute Return	10.0%	3.48%
Private Equity	10.0%	7.75%
Total	100.0%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Allocations

The City's net pension liability, pension expense, and deferred outflows of resources related to TMRS have been allocated between governmental activities and business-type activities using a contribution-based method.

NOTE 8. RETIREMENT PLAN – CONTINUED

D. Net Pension Liability – Continued

Changes in the Net Pension Liability

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2019	$ 111,171,316	$ 101,733,886	$ 9,437,430
Changes for the year:			
Service Cost	4,289,132	-	4,289,132
Interest	7,554,362	-	7,554,362
Change of benefit terms	-	-	-
Difference between expected and actual experience	39,572	-	39,572
Changes of assumptions	-	-	-
Contributions - employer	-	3,322,051	(3,322,051)
Contributions - employee	-	1,829,612	(1,829,612)
Net investment income	-	7,731,319	(7,731,319)
Benefit payments, including refunds of employee contributions	(2,798,825)	(2,798,825)	-
Administrative expense	-	(49,969)	49,969
Other changes	-	(1,950)	1,950
Net Changes	9,084,241	10,032,238	(947,997)
Balance at 12/31/2020	$ 120,255,557	$ 111,766,124	$ 8,489,433

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.75%) or 1 percentage-point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
Net pension liability	$ 27,591,654	$ 8,489,433	$ (7,018,497)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained at www.tmrs.com.

NOTE 8. RETIREMENT PLAN – CONTINUED

E. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2021, the City recognized pension expense of $2,538,907. At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 498,261	$ -
Changes in actuarial assumptions	197,112	-
Difference between projected and actual investment earnings	-	2,881,524
Contributions subsequent to the measurement date	2,526,239	-
Total	$ 3,221,612	$ 2,881,524

The $2,526,239 reported as deferred outflows of resources related to pensions result from contributions subsequent to the measurement date and will reduce the net pension liability during the fiscal year ended September 30, 2022. The other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended Sept. 30:	
2022	$ (754,185)
2023	258,823
2024	(1,535,454)
2025	(155,335)
Total	$ (2,186,151)

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The City of Southlake provides for two other post-employment benefit (OPEB) plans; one provides for postemployment health insurance benefits through a single-employer defined benefit medical plan (Southlake Retiree Health Care Plan), and the other is the Texas Municipal Retirement System Supplemental Death Benefits Fund, a single employer defined benefit OPEB plan. Both plans are described in detail below. Aggregate amounts for the two OPEB plans are as follows:

	Retiree Healthcare Plan	TMRS SDBF	Total
OPEB liability (asset)	$ (252,301)	$ 1,055,838	$ 803,537
Deferred outflows of resources	603,658	276,610	880,268
Deferred inflows of resources	419,842	83,998	503,840
OPEB expense	64,828	112,242	177,070

CITY OF SOUTHLAKE RETIREE HEALTH CARE PLAN

Plan Description

The City provides other post-employment healthcare benefits in accordance with City policy. Administration of the City of Southlake Retiree Healthcare Plan trust is through Public Agency Retirement Services (PARS) with an IRC Section 115 Irrevocable Exclusive Benefit Trust. Trustee for the plan is US Bank. Ultimate authority for investment decisions and actions necessary to maintain the City's participation in the program resides with the City Manager, appointed as Plan Administrator through a 2009 resolution of the City Council. Investment strategy is currently through the City's selection of PARS Moderately Conservative High Mark Plus.

A third-party administrator is utilized to provide claims administration and payment of claims. Insurance is purchased to provide specific stop loss and aggregate stop loss protection. A separate financial statement is not issued for the plan.

Benefits Provided

Regular full-time employees retiring from the City of Southlake have the option to continue medical insurance coverage until the retiree becomes eligible for Medicare or is eligible to be covered under another medical plan. The City contributes $125 per month towards the premium for retiree insurance coverage or $225 towards the premium for retirees and dependents. Recommendations for plan benefits are presented to City Council for their approval during the annual budget process.

Employees Covered by Benefit Terms

The following table provides a summary of the number of participants in the plan as of December 31, 2020:

Inactive employees currently receiving benefits	6
Inactive employees entitled to but not yet receiving benefits	0
Active Employees	343
	349

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) – CONTINUED

CITY OF SOUTHLAKE RETIREE HEALTH CARE PLAN – Continued

Contributions

The City's contributions during the fiscal year ending September 30, 2021 were $332,082 and were greater than the required contributions by $189,624. The benefit payments were determined in a manner similar to how the benefit payments for the measurement period were developed. The City through its budgeting process determines the annual contributions to the Plan based on the actuarially determined contribution and the availability of funds.

Net OPEB Asset

The City's total OPEB liability is based on an actuarial valuation performed as of December 31, 2020.

Actuarial Assumptions

The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Individual Entry-Age Normal
Amortization method	Level dollar. Closed bases are established at each valuation for new unfunded liabilities.
Amortization period	9 years as of September 30, 2021
Asset valuation	Market value
Investment rate of return	5.50%, net of investment expenses, including inflation
Inflation rate	2.50% per year
Salary Increases	3.50% to 11.50% including inflation
Demographic Assumptions	Based on the experience study covering the four-year period ending December 31, 2018 as conducted for the Texas Municipal Retirement System (TMRS).
Mortality	For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables to account for future mortality improvements.
Participation Rates	30% of employees who retire at age 55 or older, or retire through disability retirement at any age, were assumed to maintain their health coverage after retirement.
Healthcare Cost trend rates	Initial rates of 7.00% declining to ultimate rates of 4.25% after 13 years.

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) – CONTINUED

CITY OF SOUTHLAKE RETIREE HEALTH CARE PLAN – Continued

Actuarial Assumptions—Continued

Single Discount Rate. Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on OPEB plan investments is 5.50%; the municipal bond rate is 2.0% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"); and the resulting Single Discount Rate is 5.0%.

The City's has consistently funded the actuarially determined employer contribution, which is based on a closed amortization policy. As a result, the plan's fiduciary net position is projected to be sufficient to pay benefits for all future years.

Changes in the Net OPEB Liability (Asset)

	Increase (Decrease)		
	Total OPEB (Asset) Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB (Asset) Liability (a) - (b)
Balance at 12/31/2019	$ 2,092,145	$ 1,765,317	$ 326,828
Changes for the year:			
Service Cost	73,365	-	73,365
Interest	114,848	-	114,848
Difference between expected and actual experience	(337,496)	-	(337,496)
Changes of assumptions	87,222	-	87,222
Contributions - employer	-	321,362	(321,362)
Contributions - employee	-	-	-
Net investment income	-	201,804	(201,804)
Benefit payments, including refunds of employee contributions	(81,362)	(81,362)	-
Administrative expense	-	(6,098)	6,098
Other changes	-	-	-
Net Changes	(143,423)	435,706	(579,129)
Balance at 12/31/2020	$ 1,948,722	$ 2,201,023	$ (252,301)

Consistent with the requirements of GASB Statements No. 74, the employer contributions include "amounts for OPEB as the benefits come due that will not be reimbursed to the employer using OPEB plan assets." The $81,362 in benefit payments was paid by the City using its own assets.

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) – CONTINUED

CITY OF SOUTHLAKE RETIREE HEALTH CARE PLAN – Continued

Changes in the Net OPEB Liability (Asset)—Continued

The plan fiduciary net position is 113% of the total OPEB liability as of the measurement date, resulting in the Net OPEB asset.

The benefit payments during the measurement period were determined as follows:

City's explicit subsidy	$	12,475
City's implicit subsidy (explicit subsidy * 5.522)		68,887
Total benefit payments	$	81,362

The 5.522 implicit factor equals the ratio of the expected implicit subsidy to the expected explicit subsidy.

Sensitivity of the Net OPEB Asset to Changes in the Discount Rate and Healthcare Cost Trend Rates

Regarding the sensitivity of the net OPEB asset to changes in the Single Discount Rate, the following presents the plan's net OPEB asset, calculated using a discount rate of 5.00%, as well as what the plan's net OPEB asset would be if it were calculated using a discount rate that is one percent lower or one percent higher:

	1% Decrease Rate (4.00%)	Discount Rate (5.00%)	1% Increase in Discount Rate (6.00%)
Net OPEB asset	$ (63,440)	$ (252,301)	$ (421,610)

Regarding the sensitivity of the net OPEB asset to changes in the healthcare cost trend rates, the following presents the plan's net OPEB asset, calculated using the assumed trend rates as well as what the plan's net OPEB asset would be if it were calculated using a trend rate that is one percent lower or one percent higher:

	1% Decrease	Current Healthcare Cost Rate Assumption	1% Increase
Net OPEB asset	$ (444,207)	$ (252,301)	$ (25,374)

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) – CONTINUED

CITY OF SOUTHLAKE RETIREE HEALTH CARE PLAN – Continued

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended December 31, 2020, the City recognized OPEB expense of $64,828. At September 30, 2021, the reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Economic Experiences	$ 11,560	$ 304,420
Changes in Assumptions	292,259	-
Investment Experience	-	115,422
Contributions subsequent to the measurement date	299,839	-
	$ 603,658	$ 419,842

The $299,839 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will increase the net OPEB asset during the year ending September 30, 2022.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ended Sept. 30:	
2022	$ (25,957)
2023	(15,737)
2024	(39,577)
2025	(14,823)
2026	4,832
Thereafter	(24,761)
Total	$ (116,023)

Differences between expected and actual experience and changes in assumptions are recognized in OPEB expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the OPEB plan (active employees and inactive employees) determined as of the beginning of the measurement period.

The expected remaining service lives of all active employees in the plan were approximately 3,230 years. Additionally, the total plan membership (active employees and inactive employees) was 349. As a result, the average of the expected remaining service lives for purposes of recognizing the applicable deferred outflows and inflows of resources established in the current measurement period is 9.2554 years.

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) – CONTINUED

CITY OF SOUTHLAKE RETIREE HEALTH CARE PLAN – Continued

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources—Continued

Additionally, differences between projected and actual earnings on OPEB plan investments should be recognized in OPEB expense using a systematic and rational method over a closed five-year period. For this purpose, the deferred outflows and inflows of resources are recognized in the OPEB expense as a level dollar amount over the closed period identified above.

OTHER POST EMPLOYMENT BENEFITS SUPPLEMENTAL DEATH BENEFIT FUND

Plan Description

Texas Municipal Retirement System ("TMRS") administers a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund ("SDBF"). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. Employers may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1. The City has elected to participate in the SDBF for its active members including retirees. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded single-employer OPEB plan (i.e. no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75) for City reporting.

Benefits Provided

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an other postemployment benefit ("OPEB") and is a fixed amount of $7,500.

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits	99
Inactive employees entitled to but not yet receiving benefits	67
Active Employees	352
	518

Contributions

The member city contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees' entire careers.

NOTE 9. OTHER POST EMPLOYMENT BENEFITS (OPEB) – CONTINUED

OTHER POST EMPLOYMENT BENEFITS SUPPLEMENTAL DEATH BENEFIT FUND – Continued

Contributions—Continued

Contributions are made monthly based on the covered payroll of employee members of the participating member city. The contractually required contribution rate is determined annually for each city. The rate is based on the mortality and service experience of all employees covered by the SDBF and the demographics specific to the workforce of the city. There is a one-year delay between the actuarial valuation that serves as the basis for the employer contribution rate and the calendar year when the rate goes into effect. The funding policy of this plan is to assure that adequate resources are available to meet all death benefit payments for the upcoming year.

The retiree portion of contribution rates to the SDBF for the City was 0.01% and 0.05% in calendar years 2020 and 2021, respectively. The City's contributions to the SDBF for the year ended September 30, 2021 were $10,272, and were equal to the required contributions.

Total OPEB Liability

The City's Total OPEB Liability (TOL) was measured as of December 31, 2020 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total OPEB Liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Salary increases	3.5% to 11.5% including inflation
Discount rate	2.0%
Retiree's share of benefit-related costs	0.0%
Actuarial cost method	Entry Age Normal
Amortization Method	Level percentage of payroll; closed

Salary increases were based on a service-related table. Mortality rates for service retirees were based on the 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Mortality rates for disabled retirees were based on 2019 Municipal Retirees of Texas Mortality Tables with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis with scale UMP to account for future mortality improvements subject to the floor.

Actuarial assumptions used in the December 31, 2020 valuation were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were first adopted in 2019 and first used in the December 31, 2019 actuarial valuation.

The discount rate used to measure the Total OPEB Liability was 2.0% and was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2020.

NOTE 9. OTHER POST EMPLOYMENT BENEFITS (OPEB) – CONTINUED

OTHER POST EMPLOYMENT BENEFITS SUPPLEMENTAL DEATH BENEFIT FUND – Continued

Changes in Total OPEB Liability

	Total OPEB Liability
Balances as of 12/31/2019	$ 862,569
Changes for the year:	
Service cost	52,275
Interest	24,403
Difference between expected and actual experience	(37,301)
Changes of assumptions	156,506
Contributions - employer	(2,614)
Net Changes	193,269
Balances as of 12/31/2020	$ 1,055,838

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, calculated using the discount rate of 2.00%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (1.00%) or 1 percentage-point higher (3.00%) than the current rate:

	1% Decrease (1.00%)	Discount Rate (2.00%)	1% Increase (3.00%)
Total OPEB liability	$ 1,321,139	$ 1,055,838	$ 854,086

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2021, the City recognized pension expense of $112,242. At September 30, 2021, the City reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Economic Experiences	$ -	$ 51,724
Changes in Actuarial Assumptions	266,561	32,274
Contributions subsequent to the measurement date	10,049	-
	$ 276,610	$ 83,998

The $10,049 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will reduce the Total OPEB liability during the year ending September 30, 2022.

NOTE 9. OTHER POST EMPLOYMENT BENEFITS (OPEB) – CONTINUED

OTHER POST EMPLOYMENT BENEFITS SUPPLEMENTAL DEATH BENEFIT FUND – Continued

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB—Continued

The other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ended Sept. 30:		
2022	$	35,564
2023		35,564
2024		35,564
2025		26,747
2026		36,671
Thereafter		12,453
Total	$	182,563

NOTE 10. DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

The laws governing 457 plans were changed to state that plans would not be considered eligible plans unless all assets and income of the plans are held in trust for the exclusive benefit of the participants and their beneficiaries. The City amended the plan documents to comply with these requirements.

In accordance with GASB 32, the plans as amended are not included in the City's financial statements.

NOTE 11. RISK FINANCING AND INSURANCE

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the fiscal year 1990, the City joined the Texas Municipal League Workers Compensation Joint Insurance Fund ("the Pool") for risks related to employees. Premiums are paid to the Pool, which retains a limit of loss. Reinsurance companies insure the risks beyond those limits. The City retains, as a risk, only the deductible amount of each policy. The City continues to carry commercial insurance with Texas Municipal League provided by Mutual of Omaha for other risks including general liability, property, and errors and omissions. There were no significant reductions in coverage in the past year and there were no settlements exceeding insurance coverage in any of the past three years.

NOTE 12. COMMITMENTS AND CONTINGENCIES

The City has entered into various contracts with the Trinity River Authority (TRA) and other cities. Terms of the agreements provide the City will pay an amount equal to its proportional share of maintenance and operations and debt service based upon volumes of wastewater transported, treated, or disposed of. The City's proportional share of future costs under these contracts is indeterminable and has not been recorded. Payments to the TRA under these contracts for the year ended September 30, 2021 were $4,993,600.

The City has authorized various contracts obligating future funds of the City as the contracted services are performed. Significant amounts unexpended under such contracts at year end are reflected as reserves for authorized contracts in the applicable funds.

The City has certain claims and litigation pending with respect to matters arising in the normal course of operations. City management is of the opinion that the settlement of these matters will not have a material adverse impact on the City's financial statements.

NOTE 13. TAX ABATEMENT

The City enters into economic development agreements authorized under Chapter 380 of the Texas Local Government Code. These agreements are planning tools designed to stimulate economic activity, redevelopment, community improvement, and provide a return on investment for the community. These programs abate or rebate property and/or sales taxes and may include other incentive payments such as fee reductions or construction cost reimbursements. Economic development agreements are considered on a case by case basis by the City Council and generally contain recapture provisions, which may require repayment or termination if recipients do not meet the required provisions of the economic incentives.

Chapter 380 of the Texas Local Government Code allows the City to provide grants for the purpose of promoting local economic development. These grants are based on a percentage of property and/or sales tax received by the City. For the fiscal year ending September 30, 2021, the City rebated $168,140 in property taxes and did not rebate any sales taxes.

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON
GENERAL FUND

CITY OF SOUTHLAKE, TEXAS **EXHIBIT A-1**
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
Ad valorem taxes, penalties and interest	$ 25,581,525	$ 25,581,525	$ 25,926,682	$ 345,157
Franchise taxes	2,891,360	2,736,841	2,671,726	(65,115)
Municipal sales and mixed beverage tax	14,334,500	16,193,000	18,626,383	2,433,383
License, permits and fees	1,241,600	1,187,100	1,706,685	519,585
Charges for services	1,437,984	1,344,335	1,709,545	365,210
Fines and forfeitures	910,000	908,000	843,169	(64,831)
Grants	72,000	124,400	231,141	106,741
Interest earned	341,000	135,675	27,667	(108,008)
Miscellaneous	210,946	211,797	682,075	470,278
TOTAL REVENUES	47,020,915	48,422,673	52,425,073	4,002,400
EXPENDITURES				
Current:				
General government				
City secretary/mayor	546,266	560,266	541,041	19,225
City manager's office	1,070,995	946,914	912,198	34,716
Human resources	863,641	878,141	825,450	52,691
Support services	4,250,107	4,613,953	4,266,695	347,258
Economic development	311,406	1,076,706	968,920	107,786
Finance	1,530,920	1,533,920	1,502,077	31,843
Municipal court	771,980	774,180	735,208	38,972
Teen court	169,409	161,409	145,482	15,927
Information technology	3,597,743	3,590,544	3,482,572	107,972
Public safety				
Police services	7,442,896	7,159,646	7,059,221	100,425
Fire services	9,748,872	10,038,523	10,059,078	(20,555)
Public safety support	1,512,464	1,565,214	1,555,409	9,805
Building inspection	1,211,183	1,205,183	1,118,454	86,729
Public works				
Public works administration	1,945,633	2,011,533	1,901,372	110,161
Streets and drainage	1,153,848	1,098,848	1,054,849	43,999
Planning	1,118,858	1,125,858	1,084,649	41,209
Culture and recreation				
Community services	1,494,543	1,244,404	1,113,479	130,925
Parks and recreation	3,917,732	3,718,687	3,430,080	288,607
Library services	841,510	849,510	843,345	6,165
Capital Outlay	775,510	795,721	506,384	289,337
TOTAL EXPENDITURES	44,275,516	44,949,160	43,105,963	1,843,197
Excess of revenues over expenditures	2,745,399	3,473,513	9,319,110	5,845,597
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	27,288	27,288
Transfers from other funds	1,980,992	2,109,442	2,109,442	-
Transfers to other funds	(3,750,000)	(5,375,000)	(5,375,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(1,769,008)	(3,265,558)	(3,238,270)	27,288
NET CHANGE IN FUND BALANCE	976,391	207,955	6,080,840	5,872,885
FUND BALANCES, BEGINNING OF YEAR	37,644,723	37,644,723	37,644,723	-
FUND BALANCES, END OF YEAR	$ 38,621,114	$ 37,852,678	$ 43,725,563	$ 5,872,885

See Notes to Budgetary Comparison Schedules

CITY OF SOUTHLAKE, TEXAS **EXHIBIT A-2**
SOUTHLAKE PARKS DEVELOPMENT CORPORATION SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
Municipal sales tax	$ 7,120,000	$ 8,020,000	$ 9,249,931	$ 1,229,931
Miscellaneous	153,824	153,824	153,824	-
Interest	60,000	8,000	6,908	(1,092)
Total revenues	7,333,824	8,181,824	9,410,663	1,228,839
EXPENDITURES:				
Parks and recreation	1,516,488	1,519,688	1,462,998	56,690
Capital outlay	45,200	45,200	22,739	22,461
Total expenditures	1,561,688	1,564,888	1,485,737	79,151
Excess of revenues over expenditures	5,772,136	6,616,936	7,924,926	1,307,990
OTHER FINANCING USES:				
Transfers to other funds	(5,108,577)	(5,142,497)	(5,142,497)	-
Net change in fund balance	663,559	1,474,439	2,782,429	1,307,990
Fund balance, beginning of year	9,381,019	9,381,019	9,381,019	-
Fund balance, end of year	$10,044,578	$10,855,458	$ 12,163,448	$ 1,307,990

See Notes to Budgetary Comparison Schedules

CITY OF SOUTHLAKE, TEXAS **EXHIBIT A-3**
TAX INCREMENT FINANCING DISTRICT SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Ad valorem taxes, penalties and interest	$ 9,955,195	$ 9,818,337	$ 9,818,337	$ -
Interest	9,000	3,800	3,580	(220)
Total revenues	9,964,195	9,822,137	9,821,917	(220)
EXPENDITURES:				
General government:				
Support services	940,916	940,916	800,191	140,725
Public safety:				
Police services	283,881	283,881	244,086	39,795
Intergovernmental	6,736,056	6,049,200	6,049,200	-
Capital outlay	1,593,265	2,486,530	2,086,442	400,088
Total expenditures	9,554,118	9,760,527	9,179,919	580,608
Excess of revenues over expenditures	410,077	61,610	641,998	580,388
Net change in fund balance	410,077	61,610	641,998	580,388
Fund balance at beginning of year	4,999,895	4,999,895	4,999,895	-
Fund balance at end of year	$ 5,409,972	$ 5,061,505	$ 5,641,893	$ 580,388

See Notes to Budgetary Comparison Schedules

CITY OF SOUTHLAKE, TEXAS **EXHIBIT A-4**
COMMUNITY ENHANCEMENT DEVELOPMENT CORPORATION SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES:				
Municipal sales tax	$ 5,254,816	$ 5,930,500	$ 6,851,800	$ 921,300
Charges for services	2,303,706	2,334,944	2,495,965	161,021
Interest	68,500	12,500	8,526	(3,974)
Contributions	5,211	1,711	1,360	(351)
Miscellaneous	-	200	1,063	863
Total revenues	7,632,233	8,279,855	9,358,714	1,078,859
EXPENDITURES:				
Current:				
Culture and recreation				
Parks and recreation	4,188,300	4,120,022	3,671,870	448,152
Total expenditures	4,188,300	4,120,022	3,671,870	448,152
Excess of revenues over expenditures	3,443,933	4,159,833	5,686,844	1,527,011
OTHER FINANCING USES:				
Transfers to other funds	(2,744,137)	(2,767,980)	(2,767,980)	-
Total other financing uses	(2,744,137)	(2,767,980)	(2,767,980)	-
Net change in fund balance	699,796	1,391,853	2,918,864	1,527,011
FUND BALANCES, BEGINNING OF YEAR	9,709,747	9,709,747	9,709,747	-
FUND BALANCES, END OF YEAR	10,409,543	11,101,600	$ 12,628,611	$ 1,527,011

See Notes to Budgetary Comparison Schedules

Budgetary Data

The City Council adheres to the following procedures in establishing the budgets reflected in the financial statements:

1. Each year the City Manager is required to submit to the City Council, between sixty and ninety days prior to the beginning of each fiscal year, a proposed budget for the fiscal year beginning on the following October 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted to obtain taxpayers' comments.

3. Prior to October 1, the budget is legally enacted by the City Council through passage of an ordinance.

4. Annual budgets are legally adopted for the General Fund, the Tax Increment Financing District, Community Enhancement Development Corporation, Crime Control District, Parks Dedication, Hotel Occupancy, Storm Water Utility, Red Light Camera, Parks and Recreation, Court Security, Court Technology, Library, Commercial Vehicle Enforcement, and Southlake Parks Development Corporation Special Revenue Funds and all Debt Service Funds on a basis consistent with accounting principles generally accepted in the United States of America. Formal budgetary integration is not employed for proprietary funds. However, the City does adopt an annual budget for those funds for managerial control.

5. During the fiscal year, the City Council may transfer funds allocated to a department to another department or re-estimate revenues or expenditures. The City Manager may transfer budgeted funds within a department. Expenditures should not exceed appropriations at the department level.

6. Budgetary data for the Police, Oil and Gas, Truancy Prevention, Disaster Recovery, and all Capital Projects Funds are not presented, as such funds are budgeted over the life of the respective project, and not on an annual basis. Budgetary information for the Proprietary Funds have not been presented since reporting on such budgets is not legally required.

7. General Fund reported expenditures in excess of appropriations for the year ended September 30, 2021 as follows:

    - Fire Services ($20,555)

CITY OF SOUTHLAKE, TEXAS **EXHIBIT A-5**

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

TEXAS MUNICIPAL RETIREMENT SYSTEM

LAST SEVEN MEASUREMENT YEARS

	Measurement Year 2020	Measurement Year 2019	Measurement Year 2018	Measurement Year 2017	Measurement Year 2016	Measurement Year 2015	Measurement Year 2014
Total pension liability:							
Service cost	$ 4,289,132	$ 4,190,311	$ 3,919,389	$ 3,579,734	$ 3,482,384	$ 3,222,126	$ 2,906,949
Interest	7,554,362	6,945,183	6,379,342	5,865,601	5,393,997	5,090,308	4,779,462
Changes of benefit terms	-	-	-	-	-	-	-
Difference between expected and actual experience	39,572	250,630	537,249	213,937	179,076	102,364	(1,602,645)
Change in assumptions	-	324,280	-	-	-	760,500	-
Benefit payments, including refunds of employee contributions	(2,798,825)	(2,671,062)	(2,506,166)	(1,930,078)	(2,304,726)	(1,921,361)	(1,680,030)
Net change in total pension liability	9,084,241	9,039,342	8,329,814	7,729,194	6,750,731	7,253,937	4,403,736
Total pension liability - beginning	111,171,316	102,131,974	93,802,160	86,072,966	79,322,235	72,068,298	67,664,562
Total pension liability - ending (a)	120,255,557	111,171,316	102,131,974	93,802,160	86,072,966	79,322,235	72,068,298
Plan fiduciary net position:							
Contributions - employer	3,322,051	3,212,690	2,992,110	2,682,629	2,595,919	2,425,455	2,283,310
Contributions - employee	1,829,612	1,773,541	1,673,450	1,520,518	1,480,965	1,409,008	1,340,870
Net investment income	7,731,319	13,337,326	(2,598,044)	10,284,603	4,588,256	97,252	3,463,018
Benefit payments, including refunds of employee contributions	(2,798,825)	(2,671,062)	(2,506,166)	(1,930,078)	(2,304,726)	(1,921,361)	(1,680,030)
Administrative expense	(49,969)	(75,264)	(50,164)	(53,258)	(51,781)	(59,224)	(36,150)
Other	(1,950)	(2,262)	(2,623)	(2,699)	(2,790)	(2,925)	(2,972)
Net change in plan fiduciary net position	10,032,238	15,574,969	(491,437)	12,501,715	6,305,843	1,948,205	5,368,046
Plan fiduciary net position - beginning	101,733,886	86,158,917	86,650,354	74,148,639	67,842,796	65,894,591	60,526,545
Plan fiduciary net position - ending (b)	111,766,124	101,733,886	86,158,917	86,650,354	74,148,639	67,842,796	65,894,591
Net pension liability - ending (a) - (b)	$ 8,489,433	$ 9,437,430	$ 15,973,057	$ 7,151,806	$ 11,924,327	$ 11,479,439	$ 6,173,707
Plan fiduciary net position as a percentage of total pension liability	92.94%	91.51%	84.36%	92.38%	86.15%	85.53%	91.43%
Covered payroll	$ 26,137,309	$ 25,334,408	$ 23,710,761	$ 21,721,689	$ 21,156,637	$ 20,113,150	$ 19,154,225
Net pension liability as a percentage of covered payroll	32.48%	37.25%	67.37%	32.92%	56.36%	57.07%	32.23%

Note: Only seven years of data is presented in accordance with GASB #68, paragraph 138. “The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many periods as are available. The schedules should not include information that is not measured in accordance with the requirements of this statement.” Additional years’ information will be displayed as it becomes available.

CITY OF SOUTHLAKE, TEXAS **EXHIBIT A-6**
SCHEDULE OF PENSION CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM
LAST SEVEN FISCAL YEARS

	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015
Actuarially determined contribution	$ 3,244,987	$ 3,131,667	$ 3,101,504	$ 2,829,615	$ 2,580,380	$ 2,508,791	$ 2,439,627
Contribution in relation of the actuarially determined contribution	3,297,682	3,201,451	3,182,749	2,894,219	2,654,303	2,632,209	2,439,627
Contribution deficiency (excess)	$ (52,695)	$ (69,784)	$ (81,245)	$ (64,604)	$ (73,923)	$ (123,418)	$ -
Covered payroll	$ 26,156,402	$ 25,202,798	$ 25,156,408	$ 23,132,172	$ 21,525,552	$ 21,551,426	$ 20,034,712
Contributions as a percentage of covered payroll	12.61%	12.70%	12.65%	12.51%	12.33%	12.21%	12.18%

Note: GASB #68, paragraph 81.2.b requires that the data in this schedule be presented as of the City's fiscal year as opposed to the time period covered by the measurement date.

Note: Only seven years of data is presented in accordance with GASB #68, paragraph 138. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many periods as are available. The schedules should not include information that is not measured in accordance with the requirements of this statement." Additional years' information will be displayed as it becomes available.

CITY OF SOUTHLAKE, TEXAS **EXHIBIT A-7**

SCHEDULE OF CHANGES IN NET OPEB LIABILITY (ASSET) AND RELATED RATIOS

SOUTHLAKE NET OPEB LIABILITY (ASSET) FOR HEALTH INSURANCE

LAST FOUR MEASUREMENT YEARS

	Measurement Year 2020	Measurement Year 2019	Measurement Year 2018	Measurement Year 2017
Total OPEB liability (asset):				
Service cost	$ 73,365	$ 66,950	$ 53,239	$ 55,061
Interest	114,848	108,953	87,706	84,496
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	(337,496)	(1,262)	16,549	(3,965)
Change in assumptions	87,222	8,001	297,855	-
Benefit payments, including refunds of employee contributions	(81,362)	(75,967)	(75,843)	(76,779)
Net change in total OPEB liability (asset)	(143,423)	106,675	379,506	58,813
Total OPEB liability (asset) - beginning	2,092,145	1,985,470	1,605,964	1,547,151
Total OPEB liability (asset) - ending (a)	1,948,722	2,092,145	1,985,470	1,605,964
Plan fiduciary net position:				
Contributions - employer	321,362	165,967	172,843	116,779
Net investment income	201,804	207,145	(38,598)	121,500
Benefit payments, including refunds of employee contributions	(81,362)	(75,967)	(75,843)	(76,779)
Administrative expense	(6,098)	(5,348)	(4,389)	(3,483)
Net change in plan fiduciary net position	435,706	291,797	54,013	158,017
Plan fiduciary net position - beginning	1,765,317	1,473,520	1,419,507	1,261,490
Plan fiduciary net position - ending (b)	2,201,023	1,765,317	1,473,520	1,419,507
Net OPEB liability (asset)- ending (a) - (b)	$ (252,301)	$ 326,828	$ 511,950	$ 186,457
Plan fiduciary net position as a percentage of total OPEB liability (asset)	112.95%	84.38%	74.22%	88.39%
Covered payroll	$ 26,994,043	$ 26,143,074	$ 22,468,011	$ 20,607,676
Net OPEB liability (asset)as a percentage of covered payroll	-0.93%	1.25%	2.28%	0.90%

Note: Only four years of data is presented in accordance with GASB #75. Additional years' information will be displayed as it becomes available.

CITY OF SOUTHLAKE, TEXAS **EXHIBIT A-8**
SCHEDULE OF CONTRIBUTIONS
SOUTHLAKE NET OPEB LIABILITY FOR HEALTH INSURANCE
LAST FOUR FISCAL YEARS

	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018
Actuarially determined contribution	$ 142,458	$ 140,254	$ 89,240	$ 89,240
Contribution in relation of the actuarially determined contribution	332,082	301,318	177,639	168,167
Contribution deficiency (excess)	$ (189,624)	$ (161,064)	$ (88,399)	$ (78,927)
Covered payroll	$ 25,882,453	$ 24,988,882	$ 24,537,271	$ 23,132,172
Contributions as a percentage of covered payroll	1.28%	1.21%	0.72%	0.73%

Note: Only four years of data is presented in accordance with GASB #75. Additional years' information will be displayed as it becomes available.

CITY OF SOUTHLAKE, TEXAS **EXHIBIT A-9**
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM – SUPPLEMENTAL DEATH BENEFITS
LAST FOUR MEASUREMENT YEARS

	Measurement Year 2020	Measurement Year 2019	Measurement Year 2018	Measurement Year 2017
Total OPEB liability:				
Service cost	$ 52,275	$ 38,002	$ 42,679	$ 34,755
Interest	24,403	25,388	23,155	21,919
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	(37,301)	(13,112)	(18,599)	-
Change in assumptions	156,506	149,523	(56,421)	62,407
Contributions - employer	(2,614)	(5,067)	(2,371)	(4,344)
Net change in total pension liability	193,269	194,734	(11,557)	114,737
Total OPEB liability - beginning	862,569	667,835	679,392	564,655
Total OPEB liability - ending (a)	$ 1,055,838	$ 862,569	$ 667,835	$ 679,392
Covered employee payroll	$ 26,137,309	$ 25,334,408	$ 23,710,761	$ 21,721,689
Net pension liability as a percentage of covered employee payroll	4.04%	3.40%	2.82%	3.13%

Note: Only four years of data is presented in accordance with GASB #75. Additional years' information will be displayed as it becomes available.

The TMRS Supplementary Death Benefit Fund (SDBF) is considered to be an unfunded OPEB plan; therefore, no plan fiduciary net position and related ratios are reported in the above schedule.

CITY OF SOUTHLAKE, TEXAS **EXHIBIT A-10**
SCHEDULE OF OPEB CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM – SUPPLEMENTAL DEATH BENEFITS
LAST FOUR FISCAL YEARS

	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018
Actuarially determined contribution	$ 10,272	$ 3,206	$ 3,965	$ 2,846
Contribution in relation of the actuarially determined contribution	10,272	3,206	3,965	2,846
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 26,156,403	$ 25,202,798	$ 25,156,408	$ 23,132,172
Contributions as a percentage of covered payroll	0.04%	0.01%	0.02%	0.01%

Note: Only four years of data is presented in accordance with GASB #75. Additional years' information will be displayed as it becomes available. GASB #75, paragraph 57 requires that the data in this schedule be presented as of the City's fiscal year as opposed to the time period covered by the measurement date.

The TMRS Supplementary Death Benefit Fund (SDBF) is considered to be an unfunded OPEB plan; therefore, no plan fiduciary net position and related ratios are reported in the above schedule.

CITY OF SOUTHLAKE, TEXAS **EXHIBIT A-11**
CONDITION RATING OF STREET SYSTEM
SEPTEMBER 30, 2021

CONDITION OF ROADWAY SYSTEM

Index	2021
IRI	7.3
PCI	8.0
PQI	8.0

COMPARISON OF NEEDED-TO-ACTUAL MAINTENANCE/PRESERVATION

	Needed	Actual	Difference
2017	$ 800,000	$ 650,447	$(149,553)
2018	800,000	903,868	103,868
2019	1,000,000	813,411	(186,589)
2020	1,100,000	1,100,285	285
2021	1,200,000	1,336,244	136,244
Total	$4,900,000	$4,804,255	$(95,745)

The city hired a consultant to implement a pavement management system (PMS) to cover all public streets within the City. The condition of street pavement is measured using the Standard for Roads Pavement Condition Index (SRPCI) as developed by the American Society for Testing and Materials (ASTM). The SRPCI is based on a weighted average of thirteen defects found in pavement surfaces. The consultant conducted a pavement condition survey on all City-owned streets. This consisted of a roughness survey and a surface distress survey, along with a deflection survey of selected roads. A present status analysis was conducted using data obtained from pavement condition survey to determine the International Roughness Index (IRI) and the Pavement Condition Index (PCI). These indices were then combined into the composite Pavement Quality Index (PQI). Values of PQI can range from 0 to 10. Typical values for a newly constructed pavement range from 9.5 to 10.0. The PQI level at which a pavement becomes in need of rehabilitation is typically in the 5.0 to 7.0 range. It was the City's policy to maintain a PQI of 7.3 until 2012 when the City increased the minimum PQI to 7.8. Needed maintenance is calculated based upon inspections and the PQI.

In accordance with GASB Statement No. 34, the City is required to report at least one complete condition assessment at transition using the modified approach. The condition assessment was completed by the City and documented that the eligible infrastructure assets are being preserved at or above the condition level established by the City. Half of the city's public streets will be assessed annually to ensure all public streets are assessed every two years.

The City calculates needed maintenance of its street system annually. However, the scheduling of these road projects often crosses fiscal years. Therefore, actual maintenance may be less than the calculated needed maintenance in one fiscal year and greater than the calculated needed maintenance in the subsequent fiscal year.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

MAJOR GOVERNMENTAL FUNDS

GENERAL OBLIGATION DEBT SERVICE FUND

The General Obligation Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general obligation bonds and interest from governmental resources.

CITY OF SOUTHLAKE, TEXAS **EXHIBIT B-1**
GENERAL OBLIGATION DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
Ad valorem taxes	$ 5,878,283	$ 5,878,283	$ 5,930,642	$ 52,359
Interest	76,504	27,504	18,753	(8,751)
Total revenues	5,954,787	5,905,787	5,949,395	43,608
EXPENDITURES:				
Principal retirement	6,810,124	6,766,201	6,766,201	-
Interest and fiscal charges	909,416	894,724	882,829	11,895
Total expenditures	7,719,540	7,660,925	7,649,030	11,895
Excess (deficiency) of revenues over (under) expenditures	(1,764,753)	(1,755,138)	(1,699,635)	55,503
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	174,609	174,609	174,609	-
Total other financing sources (uses)	174,609	174,609	174,609	-
Net change in fund balance	(1,590,144)	(1,580,529)	(1,525,026)	55,503
FUND BALANCE, BEGINNING OF YEAR	4,635,565	4,635,565	4,635,565	-
FUND BALANCE, END OF YEAR	$ 3,045,421	$ 3,055,036	$ 3,110,539	$ 55,503

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for revenue sources that are legally restricted or committed to expenditures for specified purposes.

Police Fund –- Established to account for resources required to be utilized by the police department.

Parks and Recreation Fund – Established to account for resources restricted for use by the community services department.

Parks Dedication Fund – Established to account for resources restricted for use by the community services department.

Crime Control District Fund – Established to account for the operations of the Crime Control District, which was established for the financing and development of crime control within the City. The Crime Control Fund is funded primarily through the municipal sales taxes.

Hotel Occupancy Fund – Established to account for all revenues and expenditures relating to the hotel occupancy tax received by the City.

Storm Water Utility Fund – Established to account for fees collected for the purpose of improving, upgrading and maintaining the City's drainage system. The City is mandated by the Texas Commission on Environmental Quality (TCEQ) to develop and maintain a Storm Water Management Plan in order to address capacity and quality issues and protect its residents and their properties from possible flooding and pollution problems. Drainage fees are collected to fund the activities required to comply with TCEQ regulations.

Court Security Fund – Established to account for municipal court fees assessed to provide court security.

Court Technology Fund – Established to account for municipal court fees assessed to provide court technology.

Library Fund – Established to account for resources donated for use by library services.

Red Light Camera Fund – Established to account for fees assessed for red light violations captured through the City’s camera monitoring system.

Oil and Gas Fund- Established to account for permits fees and the related expenditures for oil and gas drilling.

Commercial Vehicle Enforcement Fund – Established to account for the fees assessed for commercial vehicle violations.

SPECIAL REVENUE FUNDS - Continued

Truancy Prevention - Established to account for municipal court fees assessed to provide for juvenile case manager services.

Disaster Recovery - Established to account for grant awards to provide disaster relief.

DEBT SERVICE FUNDS

The Debt Service Funds are utilized to account for the accumulation of financial resources for, and the payment of, long-term debt principal, interest, and related costs arising from the issuance of bonds.

Southlake Parks Development Corporation Debt Service Fund – Established to accumulate resources to finance the debt service of debt issues of the Southlake Parks Development Corporation.

Community Enhancement and Development Corporation Debt Service Fund – Established to accumulate resources to finance the debt service of debt issues for the community entertainment and recreation center.

CAPITAL PROJECTS FUNDS

The Capital Projects Funds are utilized to account for financial resources to be used for the acquisition or construction of specified capital improvements (other than those financed by proprietary funds).

Southlake Parks Development Corporation Capital Projects Fund – Established to fund the acquisition and construction of park recreational facilities as approved by the SPDC board of directors. The fund has been funded primarily through the issuance of general obligation debt.

Community Enhancement and Development Corporation Capital Projects Fund - Established to fund the acquisition and construction of a community entertainment and recreation center as approved by the CEDC board of directors. The fund has been financed through the issuance of sales tax revenue bonds.

Crime Control District Capital Projects Fund – Established to account for the acquisition and construction of capital assets as approved by the District's board of directors. The fund has been funded primarily through the issuance of general obligation debt.

CITY OF SOUTHLAKE, TEXAS
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2021

	SPECIAL REVENUE			
	Police	Parks and Recreation	Parks Dedication	Crime Control District
ASSETS				
Cash and cash equivalents	$ 34,828	$ 204,927	$ 1,586,004	$ 5,642,674
Accounts receivable	-	-	-	-
Sales tax receivable	-	-	-	384,963
Interest receivable	48	286	2,208	7,857
TOTAL ASSETS	$ 34,876	$ 205,213	$ 1,588,212	$ 6,035,494
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 7,984	$ 74	$ -	$ 144,069
Accrued liabilities	-	-	-	45,403
TOTAL LIABILITIES	7,984	74	-	189,472
FUND BALANCES				
Restricted for:				
Municipal court expenditures	-	-	-	-
Debt service	-	-	-	-
Storm water	-	-	-	-
Promotion of culture and tourism	-	-	-	-
Committed for:				
Police expenditures	26,892	-	-	5,846,022
Parks and recreation	-	205,139	1,588,212	-
Oil and gas drilling	-	-	-	-
Library	-	-	-	-
Capital projects	-	-	-	-
TOTAL FUND BALANCES	26,892	205,139	1,588,212	5,846,022
TOTAL LIABILITIES AND FUND BALANCES	$ 34,876	$ 205,213	$ 1,588,212	$ 6,035,494

SPECIAL REVENUE					
Hotel Occupancy	Storm Water Utility	Court Security	Court Technology	Library	Red Light Camera
$ 2,009,422	$ 1,058,955	$ 438,385	$ 290,365	$ 12,707	$ 560,235
-	209,275	-	-	-	-
100,341	-	-	-	-	-
2,805	1,474	610	404	18	780
$ 2,112,568	$ 1,269,704	$ 438,995	$ 290,769	$ 12,725	$ 561,015
$ 18,443	$ -	$ 840	$ -	$ -	$ -
4,703	13,831	1,350	-	-	-
23,146	13,831	2,190	-	-	-
-	-	436,805	290,769	-	-
-	-	-	-	-	-
-	1,255,873	-	-	-	-
2,089,422	-	-	-	-	-
-	-	-	-	-	561,015
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	12,725	-
-	-	-	-	-	-
2,089,422	1,255,873	436,805	290,769	12,725	561,015
$ 2,112,568	$ 1,269,704	$ 438,995	$ 290,769	$ 12,725	$ 561,015

CITY OF SOUTHLAKE, TEXAS
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2021

	SPECIAL REVENUE			
	Oil and Gas	Commercial Vehicle Enforcement	Truancy Prevention	Disaster Recovery
ASSETS				
Cash and cash equivalents	$ 55,374	$ 116,404	$ 47,796	$ -
Accounts receivable	-	-	-	-
Sales tax receivable	-	-	-	-
Interest receivable	77	162	67	-
TOTAL ASSETS	$ 55,451	$ 116,566	$ 47,863	$ -
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ -	$ -	$ -	$ -
Accrued liabilities	-	1,482	-	-
TOTAL LIABILITIES	-	1,482	-	-
FUND BALANCES				
Restricted for:				
Municipal court expenditures	-	-	47,863	-
Debt service	-	-	-	-
Storm water	-	-	-	-
Promotion of cultural and tourism	-	-	-	-
Committed for:				
Police expenditures	-	115,084		-
Parks and recreation	-	-	-	-
Oil and gas drilling	55,451	-	-	-
Library	-	-	-	-
Capital projects	-	-	-	-
TOTAL FUND BALANCES	55,451	115,084	47,863	-
TOTAL LIABILITIES AND FUND BALANCES	$ 55,451	$ 116,566	$ 47,863	$ -

DEBT SERVICE		CAPITAL PROJECTS			
Southlake Parks Development Corporation	Community Enhancement Development Corporation	Southlake Parks Development Corporation	Community Enhancement Development Corporation	Crime Control District	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
$ 1,926,746	$ 553,841	$ 12,289,068	$ 1,412,806	$ 535,341	$ 28,775,878
-	-	-	-	-	209,275
-	-	-	-	-	485,304
2,682	771	17,111	1,967	745	40,072
$ 1,929,428	$ 554,612	$ 12,306,179	$ 1,414,773	$ 536,086	$ 29,510,529
$ -	$ -	$ -	$ 114,326	$ -	$ 285,736
-	-	-	-	-	66,769
-	-	-	114,326	-	352,505
-	-	-	-	-	775,437
1,929,428	554,612	-	-	-	2,484,040
-	-	-	-	-	1,255,873
-	-	-	-	-	2,089,422
-	-	-	-	-	6,549,013
-	-	-	-	-	1,793,351
-	-	-	-	-	55,451
-	-	-	-	-	12,725
-	-	12,306,179	1,300,447	536,086	14,142,712
1,929,428	554,612	12,306,179	1,300,447	536,086	29,158,024
$ 1,929,428	$ 554,612	$ 12,306,179	$ 1,414,773	$ 536,086	$ 29,510,529

CITY OF SOUTHLAKE, TEXAS
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	SPECIAL REVENUE			
	Police	Parks and Recreation	Parks Dedication	Crime Control District
REVENUES				
Municipal sales tax	$ -	$ -	$ -	$ 2,814,078
Licenses, permits and fees	-	-	334,504	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	-
Grants	-	-	-	-
Interest	35	138	1,087	4,268
Contributions	-	66,707	-	-
TOTAL REVENUES	35	66,845	335,591	2,818,346
EXPENDITURES				
Current:				
General government				
Municipal court	-	-	-	-
Public safety				
Police services	6,605	-	-	1,347,689
Fire services	-	-	-	-
Public works				
Streets and drainage	-	-	-	-
Cultural and recreation				
Parks and recreation	-	21,163	-	-
Library services	-	-	-	-
Promotion of culture and tourism	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
TOTAL EXPENDITURES	6,605	21,163	-	1,347,689
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(6,570)	45,682	335,591	1,470,657
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	(71,493)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	(71,493)
NET CHANGE IN FUND BALANCES (DEFICITS)	(6,570)	45,682	335,591	1,399,164
FUND BALANCES (DEFICITS), BEGINNING OF YEAR	33,462	159,457	1,252,621	4,446,858
FUND BALANCES, END OF YEAR	$ 26,892	$ 205,139	$ 1,588,212	$ 5,846,022

SPECIAL REVENUE					
Hotel Occupancy	Storm Water Utility	Court Security	Court Technology	Library	Red Light Camera
$ 919,120	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	-	32,454	27,171	-	-
-	1,578,042	-	-	-	-
-	-	-	-	-	-
1,928	-	231	147	10	152
-	-	-	-	4,314	-
921,048	1,578,042	32,685	27,318	4,324	152
-	-	27,376	28,796	-	-
-	-	-	-	-	145,966
-	-	-	-	-	-
-	624,500	-	-	-	-
-	-	-	-	-	-
-	-	-	-	2,922	-
633,255	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
633,255	624,500	27,376	28,796	2,922	145,966
287,793	953,542	5,309	(1,478)	1,402	(145,814)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(32,708)	(1,487,281)	-	-	-	-
(32,708)	(1,487,281)	-	-	-	-
255,085	(533,739)	5,309	(1,478)	1,402	(145,814)
1,834,337	1,789,612	431,496	292,247	11,323	706,829
$ 2,089,422	$ 1,255,873	$ 436,805	$ 290,769	$ 12,725	$ 561,015

CITY OF SOUTHLAKE, TEXAS
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	SPECIAL REVENUE			
	Oil and Gas	Commercial Vehicle Enforcement	Truancy Prevention	Disaster Recovery
REVENUES				
Municipal sales tax	$ -	$ -	$ -	$ -
Licenses, permits and fees	-	-	-	-
Fines and forfeitures	-	20,295	31,720	-
Charges for services	-	-	-	-
Grants	-	-	-	529,517
Interest	27	142	58	-
Contributions	-	-	-	-
TOTAL REVENUES	27	20,437	31,778	529,517
EXPENDITURES				
Current:				
General government				
Municipal court	-	-	-	-
Public safety				
Police services	-	124,888	-	55,000
Fire services	-	-	-	298,684
Public works				
Streets and drainage	-	-	-	-
Cultural and recreation				
Parks and recreation	-	-	-	-
Library services	-	-	-	-
Promotion of culture and tourism	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
TOTAL EXPENDITURES	-	124,888	-	353,684
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	27	(104,451)	31,778	175,833
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Transfers from other funds	-	150,000	-	-
Transfers to other funds	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	150,000	-	-
NET CHANGE IN FUND BALANCES (DEFICITS)	27	45,549	31,778	175,833
FUND BALANCES (DEFICITS), BEGINNING OF YEAR	55,424	69,535	16,085	(175,833)
FUND BALANCES, END OF YEAR	$ 55,451	$ 115,084	$ 47,863	$ -

DEBT SERVICE		CAPITAL PROJECTS			
Southlake Parks Development Corporation	Community Enhancement Development Corporation	Southlake Parks Development Corporation	Community Enhancement Development Corporation	Crime Control District	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
$ -	$ -	$ -	$ -	$ -	$ 3,733,198
-	-	-	-	-	334,504
-	-	-	-	-	111,640
-	-	-	-	-	1,578,042
-	-	-	-	-	529,517
824	214	7,962	602	267	18,092
-	-	-	-	-	71,021
824	214	7,962	602	267	6,376,014
-	-	-	-	-	56,172
-	-	-	-	-	1,680,148
-	-	-	-	-	298,684
-	-	-	-	-	624,500
-	-	13,716	1,440	-	36,319
-	-	-	-	-	2,922
-	-	-	-	-	633,255
-	-	566,150	-	-	566,150
2,165,000	1,410,000	-	-	-	3,575,000
656,148	1,038,656	-	-	-	1,694,804
2,821,148	2,448,656	579,866	1,440	-	9,167,954
(2,820,324)	(2,448,442)	(571,904)	(838)	267	(2,791,940)
1,989,000	-	-	-	-	1,989,000
(1,954,804)	-	-	-	-	(1,954,804)
2,815,224	2,436,806	2,000,000	-	-	7,402,030
-	-	-	-	-	(1,591,482)
2,849,420	2,436,806	2,000,000	-	-	5,844,744
29,096	(11,636)	1,428,096	(838)	267	3,052,804
1,900,332	566,248	10,878,083	1,301,285	535,819	26,105,220
$ 1,929,428	$ 554,612	$ 12,306,179	$ 1,300,447	$ 536,086	$ 29,158,024

CITY OF SOUTHLAKE, TEXAS **EXHIBIT C-3**
PARKS AND RECREATION SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Interest	$ 1,250	$ 500	$ 138	$ (362)
Contributions	31,000	12,000	66,707	54,707
Total revenues	32,250	12,500	66,845	54,345
EXPENDITURES				
Current:				
Cultural and recreation				
Parks and recreation	72,500	25,000	21,163	3,837
Total expenditures	72,500	25,000	21,163	3,837
Excess (deficiency) of revenues over (under) expenditures	(40,250)	(12,500)	45,682	58,182
NET CHANGE IN FUND BALANCES	(40,250)	(12,500)	45,682	58,182
FUND BALANCES, BEGINNING OF YEAR	159,457	159,457	159,457	-
FUND BALANCES, END OF YEAR	$ 119,207	$ 146,957	$ 205,139	$ 58,182

CITY OF SOUTHLAKE, TEXAS **EXHIBIT C-4**
PARKS DEDICATION SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
Park fees	$ 90,000	$ 277,000	$ 334,504	$ 57,504
Interest	5,000	1,900	1,087	(813)
Total revenues	95,000	278,900	335,591	56,691
Net change in fund balance	95,000	278,900	335,591	56,691
FUND BALANCES, BEGINNING OF YEAR	1,252,621	1,252,621	1,252,621	-
FUND BALANCES, END OF YEAR	$ 1,347,621	$ 1,531,521	$ 1,588,212	$ 56,691

CITY OF SOUTHLAKE, TEXAS **EXHIBIT C-5**
CRIME CONTROL DISTRICT SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
Municipal sales tax	$ 1,749,330	$ 1,970,000	$ 2,814,078	$ 844,078
Interest	38,000	4,500	4,268	(232)
Total revenues	1,787,330	1,974,500	2,818,346	843,846
EXPENDITURES:				
Current:				
Public safety				
Police services	1,742,030	1,465,339	1,347,689	117,650
Excess of revenues over expenditures	45,300	509,161	1,470,657	961,496
OTHER FINANCING SOURCES USES:				
Transfers to other funds	(71,493)	(71,493)	(71,493)	-
Net change in fund balance	(26,193)	437,668	1,399,164	961,496
FUND BALANCES, BEGINNING OF YEAR	4,446,858	4,446,858	4,446,858	-
FUND BALANCES, END OF YEAR	$ 4,420,665	$ 4,884,526	$ 5,846,022	$ 961,496

CITY OF SOUTHLAKE, TEXAS **EXHIBIT C-6**
HOTEL OCCUPANCY SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
Municipal sales tax	$ 390,320	$ 813,700	$ 919,120	$ 105,420
Interest	12,000	4,000	1,928	(2,072)
Total revenues	402,320	817,700	921,048	103,348
EXPENDITURES:				
Current:				
Culture and recreation				
Promotion of culture and tourism	846,912	846,912	633,255	213,657
Excess (deficiency) of revenues over (under) expenditures	(444,592)	(29,212)	287,793	317,005
OTHER FINANCING USES:				
Transfers to other funds	(16,093)	(32,708)	(32,708)	-
Net change in fund balance	(460,685)	(61,920)	255,085	317,005
FUND BALANCES, BEGINNING OF YEAR	1,834,337	1,834,337	1,834,337	-
FUND BALANCES, END OF YEAR	$ 1,373,652	$ 1,772,417	$ 2,089,422	$ 317,005

CITY OF SOUTHLAKE, TEXAS **EXHIBIT C-7**
STORM WATER UTILITY SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
Charges for service	$ 1,564,800	$ 1,564,800	$ 1,578,042	$ 13,242
Interest	11,000	2,000	-	(2,000)
Total revenues	1,575,800	1,566,800	1,578,042	11,242
EXPENDITURES:				
Current:				
Public works				
Streets and drainage	629,335	629,335	624,500	4,835
Excess of revenues over expenditures	946,465	937,465	953,542	16,077
OTHER FINANCING USES:				
Transfers to other funds	(1,487,641)	(1,487,281)	(1,487,281)	-
Net change in fund balance	(541,176)	(549,816)	(533,739)	16,077
FUND BALANCES, BEGINNING OF YEAR	1,789,612	1,789,612	1,789,612	-
FUND BALANCES, END OF YEAR	$ 1,248,436	$ 1,239,796	$ 1,255,873	$ 16,077

CITY OF SOUTHLAKE, TEXAS **EXHIBIT C-8**
COURT SECURITY SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Fines and forfeitures	$ 20,500	20,500	$ 32,454	$ 11,954
Interest	3,000	1,000	231	(769)
Total revenues	23,500	21,500	32,685	11,185
EXPENDITURES				
Current:				
General government				
Municipal court	59,241	59,241	27,376	31,865
Excess (deficiency) of revenues over (under) expenditures	(35,741)	(37,741)	5,309	43,050
Net change in fund balance	(35,741)	(37,741)	5,309	43,050
FUND BALANCES, BEGINNING OF YEAR	431,496	431,496	431,496	-
FUND BALANCES, END OF YEAR	$ 395,755	$ 393,755	$ 436,805	$ 43,050

CITY OF SOUTHLAKE, TEXAS **EXHIBIT C-9**
COURT TECHNOLOGY SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Fines and forfeitures	21,500	21,500	27,171	$ 5,671
Interest	3,000	1,000	147	(853)
Total revenues	24,500	22,500	27,318	4,818
EXPENDITURES				
Current:				
General government				
Municipal court	37,830	37,830	28,796	9,034
Excess (deficiency) of revenues over (under) expenditures	(13,330)	(15,330)	(1,478)	13,852
Net change in fund balance	(13,330)	(15,330)	(1,478)	13,852
FUND BALANCES, BEGINNING OF YEAR	292,247	292,247	292,247	-
FUND BALANCES, END OF YEAR	$ 278,917	$ 276,917	$ 290,769	$ 13,852

CITY OF SOUTHLAKE, TEXAS **EXHIBIT C-10**
LIBRARY SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Interest	$ 125	$ 50	$ 10	$ (40)
Contributions	4,000	4,000	4,314	314
Total revenues	4,125	4,050	4,324	274
EXPENDITURES				
Current:				
Cultural and recreation				
Library services	8,000	5,000	2,922	2,078
Excess (deficiency) of revenues over (under) expenditures	(3,875)	(950)	1,402	2,352
Net change in fund balance	(3,875)	(950)	1,402	2,352
FUND BALANCES, BEGINNING OF YEAR	11,323	11,323	11,323	-
FUND BALANCES, END OF YEAR	$ 7,448	$ 10,373	$ 12,725	$ 2,352

CITY OF SOUTHLAKE, TEXAS **EXHIBIT C-11**
RED LIGHT CAMERA SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET-POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
Interest	$ 5,000	$ 1,100	$ 152	$ (948)
EXPENDITURES:				
Current:				
Public safety				
Police services	157,705	157,705	145,966	11,739
Excess (deficiency) of revenues over (under) expenditures	(152,705)	(156,605)	(145,814)	10,791
Net change in fund balance	(152,705)	(156,605)	(145,814)	10,791
FUND BALANCES, BEGINNING OF YEAR	706,829	706,829	706,829	-
FUND BALANCES, END OF YEAR	$ 554,124	$ 550,224	$ 561,015	$ 10,791

CITY OF SOUTHLAKE, TEXAS **EXHIBIT C-12**
COMMERCIAL VEHICLE ENFORCEMENT
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Fines and forfeitures	$ 25,000	$ 15,000	$ 20,295	$ 5,295
Interest	700	200	142	(58)
Total revenues	25,700	15,200	20,437	5,237
EXPENDITURES				
Current:				
General government				
Police services	153,374	153,374	124,888	28,486
Excess (deficiency) of revenues over (under) expenditures	(127,674)	(138,174)	(104,451)	33,723
OTHER FINANCING SOURCES				
Transfers from other funds	150,000	150,000	150,000	-
Net change in fund balance	22,326	11,826	45,549	33,723
FUND BALANCES, BEGINNING OF YEAR	69,535	69,535	69,535	-
FUND BALANCES, END OF YEAR	$ 91,861	$ 81,361	$ 115,084	$ 33,723

CITY OF SOUTHLAKE, TEXAS **EXHIBIT C-13**
SOUTHLAKE PARKS DEVELOPMENT CORPORATION DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET-POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
Interest	$ 17,000	$ 1,800	$ 824	$ (976)
EXPENDITURES:				
Debt service:				
Principal retirement	2,165,000	2,165,000	2,165,000	-
Interest and fiscal charges	656,224	656,224	656,148	76
Total expenditures	2,821,224	2,821,224	2,821,148	76
Excess (deficiency) of revenues over (under) expenditures	(2,804,224)	(2,819,424)	(2,820,324)	(900)
OTHER FINANCING SOURCES (USES):				
Proceeds from issuance of refunding bonds	-	1,989,000	1,989,000	-
Payment to refunding bond escrow agent	-	(1,954,804)	(1,954,804)	-
Transfers from other funds	2,815,224	2,815,224	2,815,224	-
Total other financing sources (uses)	2,815,224	2,849,420	2,849,420	-
Net change in fund balance	11,000	29,996	29,096	(900)
FUND BALANCES, BEGINNING OF YEAR	1,900,332	1,900,332	1,900,332	-
FUND BALANCES, END OF YEAR	$ 1,911,332	$ 1,930,328	$ 1,929,428	$ (900)

CITY OF SOUTHLAKE, TEXAS **EXHIBIT C-14**
COMMUNITY ENHANCEMENT DEVELOPMENT CORPORATION DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET-POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
Interest	$ 5,500	$ 1,000	$ 214	$ (786)
EXPENDITURES:				
Debt service:				
Principal retirement	1,410,000	1,410,000	1,410,000	-
Interest and fiscal charges	1,026,806	1,026,806	1,038,656	(11,850)
Total expenditures	2,436,806	2,436,806	2,448,656	(11,850)
Excess (deficiency) of revenues over (under) expenditures	(2,431,306)	(2,435,806)	(2,448,442)	(12,636)
OTHER FINANCING SOURCES:				
Transfers from other funds	2,436,806	2,436,806	2,436,806	-
Net change in fund balance	5,500	1,000	(11,636)	(12,636)
FUND BALANCES, BEGINNING OF YEAR	566,248	566,248	566,248	-
FUND BALANCES, END OF YEAR	$ 571,748	$ 567,248	$ 554,612	$ (12,636)

STATISTICAL SECTION

STATISTICAL SECTION

This part of the City of Southlake's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, notes disclosures, and required supplementary information says about the City's overall financial health. This information has not been audited by the independent auditor.

Contents	Table #s
Financial Trends These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	**1, 2, 3 & 4**
Revenue Capacity These tables contain information to help the reader assess the City's two most significant local revenue sources, the property and sales taxes.	**5, 6, 7 & 8**
Debt Capacity These tables present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	**9, 10, 11 & 12**
Economic and Demographic Information These tables offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	**13 & 14**
Operating Information These tables contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides.	**15, 16 & 17**

Source: Unless otherwise noted, the information in these tables is derived from the annual comprehensive financial reports for the relevant year.

CITY OF SOUTHLAKE, TEXAS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year			
	2012	2013	2014	2015
Governmental activities				
Net investment in capital assets	$ 291,690,099	$ 324,928,883	$ 338,303,633	$ 366,796,228
Restricted	67,444,322	15,178,798	15,092,604	13,624,164
Unrestricted	16,726,782	50,356,758	58,732,145	59,447,800
Total governmental activities net position	$ 375,861,203	$ 390,464,439	$ 412,128,382	$ 439,868,192
Business-type activities				
Net investment in capital assets	$ 67,918,830	$ 70,968,919	$ 73,126,147	$ 78,143,445
Restricted	-	-	-	-
Unrestricted	18,908,505	17,673,963	16,085,060	13,660,807
Total business-type activities net position	$ 86,827,335	$ 88,642,882	$ 89,211,207	$ 91,804,252
Primary government				
Net investment in capital assets	$ 359,608,929	$ 395,897,802	$ 411,429,780	$ 444,939,673
Restricted	67,444,322	15,178,798	15,092,604	13,624,164
Unrestricted	35,635,287	68,030,721	74,817,205	73,108,607
Total primary governmental net position	$ 462,688,538	$ 479,107,321	$ 501,339,589	$ 531,672,444

Source: Annual Comprehensive Financial Report

TABLE 1

Fiscal Year					
2016	2017	2018	2019	2020	2021
$ 364,161,725	$ 385,506,389	$ 392,406,812	$ 399,651,828	$ 415,945,257	$ 432,717,828
11,589,350	49,850,439	28,492,591	32,690,100	25,518,844	39,870,051
80,992,079	45,930,426	78,585,681	87,753,906	96,924,423	95,211,152
$ 456,743,154	$ 481,287,254	$ 499,485,084	$ 520,095,834	$ 538,388,524	$ 567,799,031
$ 79,055,138	$ 82,251,014	$ 83,461,157	$ 83,223,713	$ 76,271,158	$ 77,068,608
-	-	-	-	-	-
19,304,913	23,525,952	26,915,321	27,794,856	40,174,495	47,798,046
$ 98,360,051	$ 105,776,966	$ 110,376,478	$ 111,018,569	$ 116,445,653	$ 124,866,654
$ 443,216,863	$ 467,757,403	$ 475,867,969	$ 482,875,541	$ 492,216,415	$ 509,786,436
11,589,350	49,850,439	28,492,591	32,690,100	25,518,844	39,870,051
100,296,992	69,456,378	105,501,002	115,548,762	137,098,918	143,009,198
$ 555,103,205	$ 587,064,220	$ 609,861,562	$ 631,114,403	$ 654,834,177	$ 692,665,685

CITY OF SOUTHLAKE, TEXAS
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year			
	2012	2013	2014	2015
Expenses				
Governmental activities:				
General government	$ 13,277,006	$ 12,892,140	$ 13,417,904	$ 14,602,425
Public safety	15,891,911	18,425,878	18,245,617	18,176,698
Public works	6,399,819	8,528,331	8,870,998	9,762,184
Culture and recreation	8,158,291	8,829,394	8,948,841	9,311,006
Interest on long-term debt	5,865,798	6,747,628	5,097,036	2,528,113
Total governmental activities expenses	49,592,825	55,423,371	54,580,396	54,380,426
Business-type activities:				
Water and sewer	22,530,688	22,119,518	25,030,426	26,692,373
Total business-type activities expenses	22,530,688	22,119,518	25,030,426	26,692,373
Total primary government expenses	$ 72,123,513	$ 77,542,889	$ 79,610,822	$ 81,072,799
Program Revenues				
Governmental activities:				
Charges for Services:				
General government	$ 2,575,773	$ 2,755,038	$ 2,657,883	$ 2,309,861
Public safety	3,744,708	3,650,079	3,907,068	4,427,137
Public works	179,094	291,926	360,529	265,432
Culture and recreation	1,400,794	1,422,552	1,379,658	1,399,822
Operating grants and contributions	200,434	639,230	443,157	455,575
Capital grants and contributions	518,617	2,244,965	4,436,346	8,967,466
Total governmental activities program revenues	8,619,420	11,003,790	13,184,641	17,825,293
Business-type activities:				
Charges for services:				
Water and sewer	22,451,738	22,806,432	23,591,438	24,792,619
Capital grants and contributions	1,214,395	1,981,354	3,510,936	5,776,438
Total business-type activities program revenues	23,666,133	24,787,786	27,102,374	30,569,057
Total primary government program revenues	$ 32,285,553	$ 35,791,576	$ 40,287,015	$ 48,394,350
Net (Expenses) Revenue				
Governmental activities	$ (40,973,405)	$ (44,419,581)	$ (41,395,755)	$ (36,555,133)
Business-type activities	1,135,445	2,668,268	2,071,948	3,876,684
Total primary government net expenses	$ (39,837,960)	$ (41,751,313)	$ (39,323,807)	$ (32,678,449)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property taxes	$ 31,166,847	$ 31,844,930	$ 33,099,007	$ 33,176,285
Sales taxes	20,076,478	22,659,917	26,623,661	30,090,614
Franchise taxes	2,598,074	2,646,394	2,841,025	3,327,739
Interest on investments	232,722	30,110	482,607	523,954
Gain (Loss) on sale of capital assets	91,134	89,923	99,109	102,900
Transfers	890,220	915,475	915,116	968,160
Miscellaneous	463,681	836,068	639,571	1,066,818
Total governmental activities	55,519,156	59,022,817	64,700,096	69,256,470
Business-type activities:				
Interest on investments	46,212	25,227	101,469	112,967
Gain (Loss) on sale of capital assets	-	-	-	23,100
Transfers	(890,220)	(915,475)	(915,116)	(968,160)
Miscellaneous	10,811	37,527	6,963	4,521
Total business-type activities	(833,197)	(852,721)	(806,684)	(827,572)
Total primary government	$ 54,685,959	$ 58,170,096	$ 63,893,412	$ 68,428,898
Change in Net Position				
Governmental activities	$ 14,545,751	$ 14,603,236	$ 23,304,341	$ 32,701,337
Business-type activities	302,248	1,815,547	1,265,264	3,049,112
Total primary government	$ 14,847,999	$ 16,418,783	$ 24,569,605	$ 35,750,449

Source: Annual Comprehensive Financial Report

TABLE 2

Fiscal Year					
2016	2017	2018	2019	2020	2021
$ 12,851,787	$ 17,430,052	$ 18,255,444	$ 20,014,583	$ 21,275,487	$ 20,990,841
19,300,590	21,179,963	23,962,971	23,881,485	24,054,527	23,642,969
11,950,671	8,979,020	10,040,453	10,081,721	9,839,646	9,122,951
10,655,763	11,780,022	12,775,020	15,955,201	17,665,953	15,367,103
3,005,359	3,834,897	3,047,221	2,750,037	2,171,359	2,076,809
57,764,170	63,203,954	68,081,109	72,683,027	75,006,972	71,200,673
24,741,428	24,703,007	29,068,434	29,873,788	27,490,815	25,730,741
24,741,428	24,703,007	29,068,434	29,873,788	27,490,815	25,730,741
$ 82,505,598	$ 87,906,961	$ 97,149,543	$ 102,556,815	$ 102,497,787	$ 96,931,414
$ 2,363,499	$ 2,262,247	$ 2,895,701	$ 2,498,549	$ 1,631,816	$ 1,733,148
4,620,030	3,929,564	2,495,288	3,001,895	2,536,553	2,166,430
223,533	143,935	1,635,163	1,724,344	1,824,434	1,658,723
1,537,185	1,814,319	1,301,793	2,145,128	2,993,552	3,387,430
310,636	328,288	459,006	866,518	1,807,473	894,423
2,228,863	7,714,765	1,044,834	1,437,166	1,422,315	5,882,015
11,283,746	16,193,118	9,831,785	11,673,600	12,216,143	15,722,169
25,474,777	27,939,504	32,229,361	29,929,932	32,271,341	32,071,140
1,638,842	3,851,057	2,367,774	896,652	1,315,092	3,332,452
27,113,619	31,790,561	34,597,135	30,826,584	33,586,433	35,403,592
$ 38,397,365	$ 47,983,679	$ 44,428,920	$ 42,500,184	$ 45,802,576	$ 51,125,761
$ (46,480,424)	$ (47,010,836)	$ (58,249,324)	$ (61,009,427)	$ (62,790,829)	$ (55,478,504)
2,372,191	7,087,554	5,528,701	952,796	6,095,618	9,672,851
$ (44,108,233)	$ (39,923,282)	$ (52,720,623)	$ (60,056,631)	$ (56,695,211)	$ (45,805,653)
$ 34,501,608	$ 37,705,796	$ 40,380,926	$ 41,734,946	$ 41,973,780	$ 41,660,369
29,047,285	29,968,331	30,822,431	31,868,204	32,119,114	38,461,312
2,955,114	2,907,537	2,972,143	3,114,117	2,811,573	2,671,726
379,342	843,082	2,108,804	3,247,401	1,721,876	101,746
102,960	71,284	-	-	-	-
(3,767,400)	(157,975)	1,211,036	1,178,932	1,234,945	1,284,122
136,477	216,881	-	476,577	1,222,231	709,736
63,355,386	71,554,936	77,495,340	81,620,177	81,083,519	84,889,011
94,837	167,068	320,473	868,227	566,411	32,272
317,276	350	-	-	-	-
3,767,400	157,975	(1,211,036)	(1,178,932)	(1,234,945)	(1,284,122)
4,095	3,968	4,166	-	-	-
4,183,608	329,361	(886,397)	(310,705)	(668,534)	(1,251,850)
$ 67,538,994	$ 71,884,297	$ 76,608,943	$ 81,309,472	$ 80,414,985	$ 83,637,161
$ 16,874,962	$ 24,544,100	$ 19,246,016	$ 20,610,750	$ 18,292,690	$ 29,410,507
6,555,799	7,416,915	4,642,304	642,091	5,427,084	8,421,001
$ 23,430,761	$ 31,961,015	$ 23,888,320	$ 21,252,841	$ 23,719,774	$ 37,831,508

CITY OF SOUTHLAKE, TEXAS
FUND BALANCES, GOVERNMENTAL FUNDS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE 3

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	$ 37,791	$ 292,356	$ 46,008	$ 27,826	$ 86,286	$ 57,997	$ 86,286	$ 63,189	$ 40,839	$ 69,373
Committed for:										
Police expenditures	33,624	22,643	28,647	34,609	-	46,657	-	-	-	-
Assigned for:										
Teen Court expenditures	18,314	18,606	18,832	19,077	19,835	19,684	19,835	20,427	20,693	20,721
Senior Center expenditures	10,397	10,629	10,623	10,624	10,743	10,671	10,743	10,938	11,064	11,074
Recycling	22,642	28,629	34,609	40,612	59,163	52,811	59,163	66,253	70,395	76,458
Reforestation expenditures	113,907	69,128	44,098	101,873	111,728	112,300	111,728	63,030	35,150	54,847
Public art	-	-	-	-	-	-	678,829	835,991	500,819	364,046
Facility maintenance	-	-	-	-	-	-	6,708,556	7,222,995	8,813,795	9,351,441
Economic investment	-	-	-	-	-	-	2,237,211	2,282,718	3,525,280	2,870,637
Strategic initiatives	6,517,692	5,988,904	7,980,605	7,673,680	5,297,998	6,052,063	5,299,595	7,585,671	10,603,712	15,096,120
Unassigned	13,205,240	14,351,627	16,399,991	18,230,317	19,762,633	18,745,735	11,799,021	12,517,340	14,022,976	15,810,846
Total general fund	$ 19,959,607	$ 20,782,522	$ 24,563,413	$ 26,138,618	$ 25,348,386	$ 25,097,918	$ 27,010,967	$ 30,668,552	$ 37,644,723	$43,725,563
All Other Governmental Funds*										
Nonspendable	$ -	$ -	$ -	$ -	$ -	$ -	$ 50,177	$ -	$ -	$ -
Restricted for:										
Debt Service	12,657,819	12,406,902	12,150,184	11,057,196	9,005,985	8,029,607	7,750,782	8,419,008	7,102,145	5,594,579
Municipal court expenditures	770,071	823,737	860,556	878,490	838,458	868,393	851,104	847,247	739,828	775,437
Reinvestment zone expenditures	4,718,865	4,298,510	4,422,565	4,010,195	3,851,783	1,954,971	923,093	2,925,977	4,999,895	5,641,893
Parks and recreation	51,436,227	55,898,283	53,053,840	41,949,791	72,654,652	78,664,646	40,726,831	24,372,567	9,381,019	24,792,059
Storm water	-	-	-	-	-	-	-	-	1,789,612	1,255,873
Promotion of culture and tourism	-	-	-	-	-	-	-	-	1,834,337	2,089,422
Committed for:										
Police expenditures	5,969,294	4,951,542	5,532,996	7,813,849	4,986,804	3,645,226	4,743,948	5,254,694	5,256,684	6,549,013
Parks and recreation	6,381,618	7,692,049	8,020,248	10,720,498	11,125,967	17,968,695	8,904,671	8,815,413	11,121,825	1,793,351
Oil and gas expenditures	53,211	53,220	53,160	53,168	53,227	53,404	53,719	54,754	55,424	55,541
Storm water expenditures	451,127	451,164	450,824	451,371	4,856,336	453,374	456,388	465,180	-	-
Library expenditures	3,422	15,844	7,967	8,832	7,132	7,432	8,338	9,528	11,323	12,725
Capital projects	-	-	-	-	-	-	34,285,874	44,554,528	45,315,086	44,304,341
Unassigned	-	-	-	-	-	-	-	-	(175,833)	-
Total all other governmental funds	$ 82,441,654	$ 86,591,251	$ 84,552,340	$ 76,943,390	$107,380,344	$111,645,748	$ 98,704,748	$ 95,718,896	$ 87,431,345	$92,864,234

Source: Annual Comprehensive Financial Report

Notes: [a] Includes encumbrances and prepaid items.

* The City started splitting parks and recreation with storm water and promotion of culture and tourism in 2020

CITY OF SOUTHLAKE, TEXAS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE 4

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
REVENUES										
Ad valorem taxes, penalties and interest	$ 31,137,199	$ 31,844,934	$ 33,174,810	$ 33,294,062	$ 34,445,902	$ 37,688,372	$ 40,484,511	$ 41,744,243	$ 41,980,391	$41,675,661
Franchise taxes	2,598,074	2,646,394	2,841,025	3,327,739	2,955,114	2,907,537	2,972,143	3,114,117	2,811,573	2,671,726
Municipal sales tax and mixed beverage tax	20,076,478	22,659,917	26,623,661	30,090,614	29,047,285	29,968,331	30,822,431	31,868,204	32,119,114	38,461,312
Licenses, permits and fees	3,431,600	3,517,378	3,925,956	4,385,000	4,590,477	4,103,003	2,184,965	3,161,228	2,868,166	2,041,189
Charges for services	1,805,022	1,876,302	1,778,003	1,849,747	1,797,676	1,909,922	1,984,377	4,970,991	5,013,769	5,783,552
Fines and forfeitures	2,307,407	2,473,444	2,374,221	1,943,406	2,011,137	1,969,180	2,040,036	1,798,033	968,495	954,809
Grants	117,810	205,846	214,152	90,428	128,489	100,899	2,108,228	124,141	1,737,849	760,658
Capital recovery fees	435,406	794,976	474,172	866,782	1,237,552	308,095	376,004	621,715	693,293	232,525
Contributions	26,693	33,316	130,564	112,409	383,732	859,199	97,644	198,449	82,225	72,565
Interest earned	198,601	33,092	457,820	490,551	71,411	118,956	2,044,822	3,123,081	1,634,301	96,183
Miscellaneous	521,598	735,539	552,544	672,333	528,093	544,727	481,919	341,934	1,544,346	836,962
Total revenues	62,655,888	66,821,138	72,546,928	77,123,071	77,196,868	80,478,221	85,597,080	91,066,136	91,453,522	93,587,142
EXPENDITURES										
General government	7,756,647	8,617,226	8,629,250	8,974,058	9,301,750	9,608,516	11,053,010	12,988,724	13,233,455	14,236,006
Public safety	14,692,116	17,096,436	16,924,285	16,968,939	17,376,310	18,520,588	19,806,464	21,145,351	21,534,858	22,015,080
Public works	4,662,449	5,818,028	6,303,749	5,332,402	5,483,131	19,112,170	23,225,431	5,687,428	7,834,577	7,177,205
Culture and recreation	6,590,252	6,980,508	7,227,628	7,441,366	8,456,526	8,783,323	8,026,149	21,815,043	13,226,045	11,202,609
Intergovernmental	2,972,849	3,572,221	3,834,118	4,478,312	4,623,919	5,348,444	6,045,218	6,123,926	7,214,798	6,049,200
Capital outlay	11,072,944	17,097,340	14,623,962	21,349,324	8,658,067	4,800,627	12,214,328	8,285,716	15,951,425	11,521,223
Debt service										
Principal retirement	9,901,754	10,660,527	11,930,280	14,489,311	13,394,604	13,258,185	12,220,242	8,385,059	9,896,675	10,341,201
Interest and fiscal charges	5,659,876	4,839,491	4,982,567	3,894,535	3,796,740	4,084,086	3,695,048	3,175,731	3,108,014	2,629,585
Total expenditures	63,308,887	74,681,777	74,455,839	82,928,247	71,091,047	83,515,939	96,285,890	87,606,978	91,999,847	85,172,109
Excess (deficiency) of revenues over (under) expenditures	(652,999)	(7,860,639)	(1,908,911)	(5,805,176)	6,105,821	(3,037,718)	(10,688,810)	3,459,158	(546,325)	8,415,033
OTHER FINANCING SOURCES (USES)										
Proceeds from sale of property	-	80	1,521	3,271	-	-	-	6,019	-	27,288
Proceeds from issuance of tax notes payable	-	-	-	-	-	-	-	-	-	3,753,000
Proceeds from issuance of general obligation bonds	8,545,000	11,765,000	4,380,000	-	-	-	-	-	-	-
Premium (Discount) on issuance of refunding bonds	-	-	-	-	-	884,928	-	1,329,086	-	-
Proceeds from issuance of sales tax revenue bonds	-	-	-	-	24,450,000	9,945,000	-	-	-	-
Proceeds from issuance of refunding bonds	9,690,000	20,830,000	23,400,000	-	-	3,830,000	-	10,860,000	-	1,989,000
Proceeds from capital lease obligation	-	-	-	-	-	-	-	-	-	-
Premium (Discount) on issuance of general obligation bonds	1,737,875	3,753,175	1,301,376	-	2,168,153	-	-	-	-	-
Payment to refund bond escrow agent	(10,788,860)	(24,030,579)	(25,547,122)	-	-	(4,309,151)	-	(12,311,639)	-	(1,954,804)
Transfer from other funds	20,292,866	18,730,003	20,498,983	21,925,067	23,584,605	23,332,602	23,056,973	17,941,263	15,937,424	14,161,081
Transfer to other funds	(19,402,646)	(18,214,528)	(20,383,867)	(22,156,907)	(28,352,005)	(24,940,577)	(23,345,937)	(20,662,331)	(16,702,479)	(14,876,959)
Total other financing sources (uses)	10,074,235	12,833,151	3,650,891	(228,569)	21,850,753	8,742,802	(288,964)	(2,837,602)	(765,055)	3,098,606
NET CHANGE IN FUND BALANCES	$ 9,421,236	$ 4,972,512	$ 1,741,980	$ (6,033,745)	$ 27,956,574	$ 5,705,084	$ (10,977,774)	$ 621,556	$ (1,311,380)	$11,513,639
Debt service as a percentage of noncapital expenditures	29.1%	25.9%	27.7%	29.1%	27.0%	25.5%	21.8%	16.1%	17.1%	17.6%

Source: Annual Comprehensive Financial Report

CITY OF SOUTHLAKE, TEXAS **TABLE 5**
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)

	Estimated Market Value				
Fiscal Year	Real Property	Personal Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2012	$ 5,640,517,144	$ 449,611,387	$ 581,725,777	$ 5,508,402,754	0.46200
2013	5,841,369,884	438,836,614	631,016,684	5,649,189,814	0.46200
2014	5,935,122,961	588,389,191	638,106,472	5,885,405,680	0.46200
2015	6,341,625,915	614,607,452	756,399,951	6,199,833,416	0.46200
2016	6,635,586,201	542,023,423	1,039,819,893	6,137,789,731	0.46200
2017	7,556,442,291	543,192,799	1,364,174,169	6,735,460,921	0.46200
2018	8,254,704,348	602,971,804	1,683,599,421	7,174,076,731	0.46200
2019	9,002,807,317	614,999,492	1,845,495,105	7,772,311,704	0.44700
2020	9,653,389,547	659,212,511	1,967,287,039	8,345,315,019	0.41000
2021	9,802,447,688	667,695,748	2,040,326,726	8,429,816,710	0.40500

Source: Tarrant Appraisal District

CITY OF SOUTHLAKE, TEXAS **TABLE 6**
DIRECT AND OVERLAPPING PROPERTY TAX RATES (PER $100 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS
(UNAUDITED)

	City Direct Rates			Overlapping Rates			
Fiscal Year	Operating/ General Rate	General Obligation Debt Service	Total Direct	Carroll Independent School District	Tarrant County	Tarrant County Hospital District	Tarrant County College District
2012	0.33200	0.13000	0.46200	1.41500	0.264000	0.227897	0.14897
2013	0.34200	0.12000	0.46200	1.40000	0.264000	0.227897	0.14897
2014	0.34200	0.12000	0.46200	1.40000	0.264000	0.227897	0.14950
2015	0.34200	0.12000	0.46200	1.40000	0.264000	0.227897	0.14950
2016	0.36200	0.10000	0.46200	1.39500	0.264000	0.227897	0.14950
2017	0.36200	0.10000	0.46200	1.39500	0.254000	0.227897	0.14473
2018	0.36200	0.10000	0.46200	1.38500	0.244000	0.224429	0.14006
2019	0.35700	0.09000	0.44700	1.38000	0.234000	0.224429	0.13607
2020	0.33000	0.08000	0.41000	1.30000	0.234000	0.224429	0.13017
2021	0.33000	0.07500	0.40500	1.28640	0.234000	0.224429	0.13017

Source: Tarrant Appraisal District

CITY OF SOUTHLAKE, TEXAS
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND FIVE YEARS AGO
(UNAUDITED)

TABLE 7

2021			2016		
Taxpayer	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value[a]	Taxpayer	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value[b]
Town Square Ventures LP	$ 249,758,871	2.96%	Town Square Ventures LP	$ 293,001,243	4.77%
Cellco Partnership	128,384,164	1.52%	Verizon Wireless Texas LLC	171,785,286	2.80%
TD Ameritrade Services Company INC	70,000,000	0.83%	SLTS Grand Avenue/II LP	85,046,782	1.39%
Sabre Headquarters LLC	67,080,633	0.80%	GAHC3 Southlake TX Hospital LLC	51,500,000	0.84%
Wyndham Properties LTD/ II LTD	57,676,909	0.68%	Wyndham Properties LTD	50,276,308	0.82%
H & C Southlake Hilton LLC	49,548,567	0.59%	Carroll/1709 LTD	47,662,149	0.78%
Carroll/1709 LTD	48,828,562	0.58%	Sabre Headquarters LLC	45,538,856	0.74%
Excel Southlake LP	48,005,178	0.57%	H & C Southlake Hilton LLC	31,854,107	0.52%
DSL Landlord II LLC	46,406,908	0.55%	Forest Park Medical Center	26,108,931	0.43%
Red Mountain Estates Three LLC	36,800,000	0.44%	Inland Western Southlake Corners Ltd	25,280,713	0.41%
Total	$ 802,489,792	9.52%	Total	$ 828,054,375	13.50%
Total Assessed Valuation	$ 8,429,816,710	100.00%	Total Assessed Valuation	$ 6,137,789,731	100.00%

Source: Tarrant Appraisal District

Notes: [a]Taxpayers are assessed on January 1, 2020 (2020 tax year) for the 2021 fiscal year.
[b]Taxpayers are assessed on January 1, 2015 (2015 tax year) for the 2016 fiscal year.

CITY OF SOUTHLAKE, TEXAS
AD VALOREM TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE 8

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	$ 25,915,813	$ 25,552,394	98.60	$ 222,811	$ 25,775,205	99.46
2013	26,053,160	25,762,457	98.88	164,797	25,927,254	99.52
2014	27,136,997	26,865,897	99.00	68,968	26,934,865	99.26
2015	27,791,839	27,556,790	99.15	103,879	27,660,669	99.53
2016	28,965,792	28,684,131	99.03	165,219	28,849,350	99.60
2017	31,410,934	31,054,006	98.86	79,963	31,133,969	99.12
2018	33,103,373	32,975,600	99.61	18,534	32,994,134	99.67
2019	34,957,519	34,486,820	98.65	(80,603)	34,406,217	98.42
2020	34,109,141	33,572,469	98.43	-	33,572,469	98.43
2021	34,329,457	33,833,652	98.56	-	33,833,652	98.56

Source: Tarrant County Tax Office

CITY OF SOUTHLAKE, TEXAS
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE 9

	Governmental Activities				Business-Type Activities						
Fiscal Year	General Obligation Bonds	Certificates of Obligation	Revenue Bonds	Tax Notes	General Obligation Bonds	Certificates of Obligation	Revenue Bonds	Contract Revenue Obligations	Total Primary Government	Percentage of Personal Income[a]	Per Capita[a]
2012	$ 55,747,995	$ 38,971,935	$ 30,360,045	$ -	$ 24,692,508	$ 23,126,850	$ 1,790,000	$ 1,755,000	$ 176,444,333	11.44	$ 6,591
2013	49,975,889	44,402,760	28,910,000	-	23,163,624	24,660,985	-	1,435,000	172,548,258	9.81	6,372
2014	45,355,674	41,553,855	27,150,000	-	18,923,955	28,009,860	-	1,100,000	162,093,344	10.93	5,910
2015	40,847,363	33,182,855	25,540,000	-	15,422,270	30,035,860	-	750,000	145,778,348	9.03	5,238
2016	40,733,282	29,511,905	48,330,000	-	12,974,232	29,143,202	-	385,000	161,077,621	9.30	5,694
2017	39,022,933	18,706,525	57,207,643	-	13,846,422	28,963,708	-	-	157,747,231	8.08	5,358
2018	30,112,187	11,050,000	53,605,000	-	9,187,813	30,550,000	-	-	134,505,000	6.14	4,547
2019	40,949,900	-	51,198,945	-	14,816,097	22,463,654	-	-	129,428,596	6.01	4,270
2020	33,224,148	-	47,939,806	-	12,678,798	21,352,753	-	-	115,195,505	5.29	3,793
2021	27,428,338	-	42,615,770	3,753,000	12,916,025	18,217,805	-	-	104,930,938	5.31	3,692

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
[a]See Table 13 for personal income and population data.

CITY OF SOUTHLAKE, TEXAS **TABLE 10**
RATIO OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	General Bonded Debt Outstanding: General Obligation Bonds	General Bonded Debt Outstanding: Certificates of Obligation	General Bonded Debt Outstanding: Total	Less: Available Debt Service Funds	Net General Bonded Debt	Percentage of Actual Taxable Value of Property[a]	Per Capita[b]
2012	$ 80,440,503	$ 62,098,785	$ 142,539,288	$ 12,657,819	$ 129,881,469	2.36%	$ 4,852
2013	73,139,513	69,063,745	142,203,258	12,406,902	129,796,356	2.30%	4,793
2014	64,279,629	69,563,715	133,843,344	12,150,184	121,693,160	2.07%	4,437
2015	56,269,633	63,218,715	119,488,348	11,057,196	108,431,152	1.75%	3,896
2016	53,707,514	58,655,107	112,362,621	9,005,985	103,356,636	1.68%	3,653
2017	52,869,355	47,670,233	100,539,588	8,029,607	92,509,981	1.37%	3,142
2018	39,300,000	41,600,000	80,900,000	7,750,782	73,149,218	1.02%	2,473
2019	55,765,997	22,463,654	78,229,651	8,419,008	69,810,643	0.90%	2,303
2020	45,902,946	21,352,753	67,255,699	7,102,145	60,153,554	0.72%	1,981
2021	40,344,363	18,217,805	58,562,168	5,594,579	52,967,589	0.63%	2,156

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

[a]See Table 5 for property value data.

[b]See Table 13 for population data.

CITY OF SOUTHLAKE, TEXAS **TABLE 11**
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2021
(UNAUDITED)

Governmental Unit	Gross Bonded Debt	Percentage of Debt Applicable to Area	Share of Overlapping Debt
Debt repaid with property taxes			
Carroll ISD	$ 329,880,000	85.30%	$ 281,387,640
Denton County	571,605,000	0.13%	743,087
Grapevine-Colleyville ISD	362,388,775	1.50%	5,435,832
Keller ISD	877,564,989	2.43%	21,324,829
Northwest ISD	1,223,981,739	1.38%	16,890,948
Tarrant County	213,675,000	4.03%	8,611,103
Tarrant County College District	255,995,000	4.03%	10,316,599
Tarrant County Hospital District	14,495,000	4.03%	584,149
Subtotal, overlapping debt			345,294,187
City of Southlake (direct debt)	$ 69,091,975	100.00%	69,091,975
Total direct and overlapping debt			$ 414,386,162

Source: Municipal Advisory Council of Texas.

Note: Includes only debt of the City's governmental activities.

Note: Per the Municipal Advisory Council of Texas, the overlapping percentages are calculated by determining the estimated share assessed valuation of taxable property within the overlapping taxing bodies and the City, and then dividing that share value by the total assessed value of taxable property within the overlapping tax body.

CITY OF SOUTHLAKE, TEXAS
PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE 12

	Water and Sewer System Revenue Bonds				
Fiscal Year	Total Revenues[a]	Less: Operating Expenses[b]	Net Available Revenue	Annual Requirement[c]	Times Coverage
2012	$ 23,723,156	$ 15,869,436	$ 7,853,720	$ 4,394,749	1.79
2013	24,852,430	14,846,831	10,005,599	4,894,720	2.04
2014	24,702,585	17,270,262	7,432,323	5,120,685	1.45
2015	26,112,528	18,238,461	7,874,067	5,335,396	1.48
2016	26,987,100	19,424,610	7,562,490	5,466,814	1.38
2017	28,110,890	20,039,979	8,070,911	6,090,382	1.33
2018	32,554,350	24,273,419	8,280,931	5,181,837	1.60
2019	31,390,422	25,607,271	5,783,151	4,263,334	1.36
2020	32,837,752	22,792,769	10,044,983	3,798,047	2.64
2021	32,008,486	22,835,444	9,173,042	3,329,146	2.76

Note: [a]Includes operating and non-operating revenues.

[b]Includes operating expenses minus depreciation plus transfers out.

[c]Includes Principal and Interest.

CITY OF SOUTHLAKE, TEXAS **TABLE 13**
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS
(UNAUDITED)

Fiscal Year	Estimated Population[a]	Personal Income	Per Capita Personal Income	School Enrollment[c]	Unemployment Rate[d]
2012	26,770	$ 1,542,009,658	$ 57,602	7,692	5.3%
2013	27,080	1,758,105,132	64,923	7,665	5.6%
2014	27,425	1,483,496,607	54,093	7,864	4.4%
2015	27,833	1,613,950,961	57,987	7,884	3.5%
2016	28,290	1,732,874,762	61,254	8,177	3.5%
2017	29,440	1,951,900,038	66,301	8,190	3.0%
2018	29,580	2,189,030,472	74,004	8,341	3.2%
2019	30,310	2,151,828,140	70,994	8,344	2.7%
2020	30,370	2,177,861,595	71,711	8,509	5.2%
2021	31,199	2,169,765,423	69,546	8,318	3.6%

Note: [a]City of Southlake Economic Development
[b]Carroll Independent School District
[c]Texas Workforce Commission

CITY OF SOUTHLAKE, TEXAS
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

TABLE 14

2021			2012		
Employer[a]	Employees[a]	Percentage of Total City Employment	Employer[a]	Employees[a]	Percentage of Total City Employment
Sabre Holdings	2,550	16.43%	Sabre Holdings	2,700	20.92%
TD Ameritrade	2,230	14.37%	CISD - Administration Building	1,072	8.30%
Carroll ISD	1,176	7.58%	Verizon Wireless	619	4.80%
Verizon Wireless	685	4.41%	Central Market	350	2.71%
Keller Williams	650	4.19%	City of Southlake	310	2.40%
Gateway Church	600	3.87%	IQ Pipeline, LLC	250	1.94%
			Hilton Dallas/Southlake Town Sq	218	1.69%
			Century 21 Mike Bowman, Inc.	200	1.55%
			Tri Dal Ltd.	194	1.50%
			Variosystems Inc.	170	1.32%
			Cheesecake Factory	161	1.25%
			Lowe's Home Improvement	145	1.12%
			Allied Oil & Gas Services	140	1.08%
Total	7,891	50.84%	Total	6,529	50.58%
Total Southlake Daytime Employees[b]	15,521		Total Southlake Daytime Employees[b]	12,909	

Source: [a]City of Southlake Economic Development
[b]Texas Workforce Commission

CITY OF SOUTHLAKE, TEXAS **TABLE 15**
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)

	Fiscal Year									
Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government and Administration	45.75	49.00	55.75	52.00	59.00	57.00	60.00	74.00	75.75	78.14
Public Safety	119.50	138.45	140.45	140.95	140.95	139.95	141.45	141.15	145.15	145.15
Public Works	29.70	29.95	27.25	33.25	28.25	34.50	35.50	35.00	35.00	35.00
Culture and Recreational	62.15	62.15	62.15	65.65	71.40	72.03	114.78	108.93	111.80	113.93
Water and Sewer	29.30	29.30	29.50	29.50	30.25	31.00	31.00	31.00	30.00	30.00
Community Development	21.00	21.00	23.00	23.00	23.00	23.00	23.00	22.00	23.00	22.50
Economic Development	3.50	3.50	4.00	4.00	4.00	1.00	1.00	2.00	3.63	3.63
Total	310.90	333.35	342.10	348.35	356.85	358.48	406.73	414.08	424.33	428.35

Source: City Budget

CITY OF SOUTHLAKE, TEXAS **TABLE 16**
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)

	Fiscal Year									
Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety										
Police										
Number of Employees	54	53	68	68	68	67	68	72	72	72
Number of Violations (Citations)	14,062	21,497	32,641	30,451	14,858	13,840	13,492	13,759	9,095	8,230
Number of Arrests	1,420	1,079	1,284	1,095	513	1,148	1,027	719	1,025	838
Number of Alarm calls	4,267	3,889	3,087	3,497	3,673	3,284	3,434	3,171	2,465	2,549
Fire										
Number of Employees	56	68	72	72	73	73	73	73	73	73
Number of Fire runs	990	1,215	1,245	1,220	760	807	811	748	999	1,036
Number of EMS runs	985	1,356	1,492	1,448	1,745	1,808	1,802	1,875	1,517	1,994
Number of Hazardous materials runs	44	80	56	43	95	105	109	90	94	92
Number of Alarm calls	392	448	461	501	608	652	651	678	602	748
Development Services										
Streets maintained (miles)	228	245	268	204	209	199	211	213	214	214
Streets crack sealed (blocks)	117	121	94	N/A	N/A	75	391	384	5	0
Roadway signage replaced/installed	255	216	188	N/A	568	N/A	21	136	13	132
Asphalt repairs (tons)	1,833	2,414	2,802	4,849	4,667	6,671	5,191	6,100	213	7,747
Concrete repairs to roads/sidewalks (cu. yds.)	288	294	240	2,421	308	1,462	1,188	503	41	1,269
Right-of-way maintenance (miles)	456	484	484	N/A	N/A	5	417	417	558	55
Building Permits Issued[a]	2,727	2,917	3,051	2,979	2,703	3,163	3,453	3,133	2,834	3,209
Planning & Zoning cases heard	85	121	143	136	190	100	110	76	62	82
Cultural and Recreational										
Parks and Recreation										
Park maintain & operate per acre	800	800	1,205	1,200	1,106	1,106	1,106	1,106	1,106	561
Participants in Leisure Service Programs	12,259	13,170	6,227	6,200	8,687	8,735	9,844	17,555	8,065	7,360
Participants in Special Events	37,546	46,500	47,000	60,000	66,000	72,625	71,400	65,000	900	36,300
Participants in Senior Center Programs	10,401	10,609	4,935	4,900	8,868	13,449	13,552	14,068	4,989	6,390
Library										
Volumes in Collection	51,790	50,250	46,781	44,971	45,416	44,899	43,947	41,789	43,699	41,895
Patrons	20,902	21,622	16,662	16,838	13,461	13,764	14,327	15,267	13,274	14,467
Water and Sewer										
Number of Water Consumers	9,543	9,765	9,825	10,183	10,581	10,941	11,009	11,133	11,236	11,349
Number of Sewer accounts	7,522	7,918	7,770	8,167	8,470	8,889	9,111	11,886	9,053	9,142
Line inspections (feet)	190,000	190,000	217,000	1,086,624	789,266	687,246	574,136	641,941	377,081	214,789
Water meters installed/repaired/replaced	1,047	565	745	1,284	10,566	135	191	279	186	359
Transmitters installed/replaced	115	140	610	N/A	10,566	489	124	113	466	1,327
Gallons purchased from Ft. Worth (millions)	3,573,648	3,472,212	3,220,075	3,069,971	2,904,048	3,206,363	3,156,019	2,762,227	3,013,801	3,057,825
Gallons distributed (millions)	3,241,014	3,125,358	2,964,457	3,069,971	2,935,818	2,900,926	3,229,438	2,363,542	2,957,582	2,731,697
Maximum Storage Capacity (million of gallons)	21	21	21	21	21	21	21	21	21	21

Source: City Departments
Notes: N/A Data not available
[a]Includes residential, commercial, and miscellaneous (e.g. pools, fences) permits.

CITY OF SOUTHLAKE, TEXAS **TABLE 17**
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)

	Fiscal Year									
Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety										
Police Stations	2	2	3	3	3	3	3	3	3	3
Police Patrol Units	24	23	26	25	25	25	25	25	21	23
Fire Stations	2	2	3	3	3	3	3	3	3	3
Police Motorcycle Units	6	5	5	5	5	5	5	5	5	5
Cultural and Recreational										
Parks	18	18	18	18	18	18	18	18	18	35
Playgrounds	3	3	5	7	6	6	6	7	7	6
Dog Park	1	1	1	1	1	1	1	1	1	1
Senior Center	1	1	1	1	1	1	1	1	1	1
Tennis Courts	21	21	21	21	21	21	21	21	21	21
In-line hockey rink/turf field[a]	1	1	1	1	1	1	1	1	1	1
Ballfields	21	21	44	32	27	29	29	29	29	22
Soccer Fields	17	17	17	13	12	21	21	21	21	21
Nature Center	1	1	1	1	1	1	1	1	1	1
Water and Sewer										
Water Mains (miles)	258	206	294	285	290	284	298	301	304	293
Lift Stations	15	15	14	13	13	14	15	15	15	9
Sanitary Sewer Mains (miles)	195	206	209	206	209	212	216	218	220	220
Drainage, ditches/creeks (miles)	89	91	91	36	36	48	52	51	51	42
Fire hydrants	2,902	2,395	2,486	2,594	2,643	2,723	2,774	2,809	2,854	2,919
Water valves	7,614	6,388	6,686	N/A	7,154	7,360	7,553	7,673	7,818	8,023

Source: City Departments

Note: N/A - Data not available

[a]In-line hockey rink converted to turf field in 2020.